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Some Thoughts on Accountability

SIR FRANK COOPER, KCB, CMG

Sir Frank Cooper is the Permanent Under-Secretary of State, Ministry of Defence. The article that follows is based on a talk which he gave recently to members of the Ministry of Defence Sub-Branch of the Institute of Cost and Management Accountants. —*Editor.*

Introduction

Accountability is a subject of deep concern to all accountants as well as to me personally as an Accounting Officer. It is also highly topical. I must confess too that I regard myself very much as an accountant *manqué* and remain very proud of the fact that I was Director of Accounts in the old Air Ministry.

In 1976 the Accountancy Bodies gave evidence to the Expenditure Committee on the subject of the development of accountable units. One or two sentences in that evidence are, perhaps, especially relevant to my subject: 'We consider it is very important to develop cost centre and other management accounting for internal control purposes, as quickly as possible. We believe the manner in which government departments account to Parliament can be made more meaningful'. Both these issues have received much attention within the Ministry of Defence in recent years. I like to think we can show a good past record in these matters but accept that we must continue to press them forward. It is both right and necessary that we should do so. The nature of work in what is the largest department in Whitehall demands it. Moreover, we have taken care to create a substantial resource of professionally trained people, and this is an essential pre-requisite.

The Accounting Officer

I should like first to say something about the personal position of the Accounting Officer since that is the nub of the matter. The title 'Accounting Officer' has a long history dating back certainly to 1872, but two quotations from later documents sufficiently illuminate current responsibilities. In 1920 the Public Accounts Committee concluded that the Accounting Officer's position 'is the foundation of the financial system of the country so far as departmental control over expenditure is concerned'. In their report in the following year, 1921, they said it must be remembered that in the Fighting Services Departments 'the Head of the Department is head of the civilian side only and the military

chiefs who are responsible for policy and initiate expenditure are not responsible to him. He is, therefore, the natural custodian of economy as well as regularity, and the proper person to answer for both to the Public Accounts Committee'. This doctrine is still true today though, of course, the modern Ministry of Defence is very much more than a Fighting Services Department.

The current responsibilities of an Accounting Officer are made very clear to him on appointment through the medium of a Treasury letter. His regular appearances before the Public Accounts Committee give him little opportunity of forgetting them. The Treasury's recent note on the subject, appended to the Expenditure Committee's Twelfth Report, picks up the 1920 dictum about economy and says the PAC 'expect the Accounting Officer to satisfy them that the policy approved by Parliament has been carried out with due regard to economy and to furnish them with explanations of any indications to the contrary to which their attention has been drawn'. It also requires him to be ready to state clearly and explicitly in writing to his Minister 'his disagreement with any aspects of a proposal which as Accounting Officer he considers he would have difficulty in defending as a matter of prudent and economical administration'.

In practice, of course, we aim not to get into extreme positions of disagreement and confrontation. Nevertheless, I do not think anyone should ever forget that it is the taxpayers' money that is being spent and that the taxpayers foot the bill for the pay of officials. This re-emphasizes the need for efficiency and demands that the drive for economy, which is as real today as it has ever been, must be pursued through a good organization, properly staffed, well motivated and with a first-class management information system.

The Accounting Officer may be the pinnacle of the apparatus but he cannot function properly if those below him do not, and they in their turn must have the right data at the right time in a digestible form, with an informed commentary from well-qualified supporting staff. Which is, of course, where the accountants come in. It has often been said, and again we can go back over 50 years, that it is wrong to expect an Accounting Officer personally to account for the whole of his department and that he cannot possibly in modern circumstances have sufficient personal knowledge of what is going on. The Expenditure Committee in its recent recommendations has returned to this point in pressing for accountable managers and for relating the structure of the Parliamentary Accounts to accountable management units. I was glad to note in this connection the remarks by the Accountancy Bodies in their evidence to the Expenditure Committee, where they explained how necessary it is to distinguish between relatively low-level accountable units for internal financial management purposes and the quite separate task whereby an entire government department accounts for its stewardship to Parliament. The risk of confusion in this area is considerable.

Before leaving this aspect I perhaps ought to mention the relatively recent reduction in the number of Accounting Officers in the Ministry of Defence. We have put the responsibility for the three Systems Votes —Land, Sea and Air—on to the Chief of Defence Procurement. I think that is right. He is in overall charge and should be seen to be so by having the accountability to Parliament for his procurement operations, subject to my accepting the financial responsibility for requirements and my overriding responsibility for the Ministry's overall organization and staffing. We have also brought the responsibility for all the remaining Votes, except for the special case of the Dockyards, back to me. I see that as both a streamlining and a logical move for the reasons already mentioned. From 1st April this year we took this tidying-up process a little further by reducing the number of Defence Votes from eleven (not counting the Department of the Environment's Works Vote) to four, within the same Accounting Officer structure.

Vote accounting

Let me now turn from the Accounting Officer's personal responsibilities to the structure of the Votes both as they were before 1st April 1979 and as they are now. The reduction to four has removed some of the compartmental boundaries between the existing Votes but this has not altered the basic elements from which the Votes are built. They are, and always have been, subjectively structured. That is to say, they show payments to the people whose services we are buying and to the contractors who supply us with food, fuel, clothing, transport, ammunition, guns, tanks, aircraft, ships and all the other multifarious supplies and services which are needed for the defence of the country. They, in other words, summarize the payments we make for the input to the Defence activity of the resources, human and material, which it needs year by year. They do not show what we do with those resources, despite the lip-service which has been paid in recent years to a so-called objective structuring. I am not, of course, commenting here on Civil Votes where the presentation task and its solution may be different. But for Defence we do not, and cannot in an annual cash-flow statement, show in any meaningful way to Parliament what we are getting for the money they have granted. That task has to be handled by internal management of the decision-making processes aided by management accounting techniques. I do not believe that it can be discharged in the Appropriation Account context. I was glad to see that the Comptroller and Auditor General takes this view. In commenting on the Expenditure Committee's recommendation (Eleventh Report, 1977/78) that Appropriation Accounts should correspond with the accountable units, he said that 'a reconstruction of the Parliamentary Accounts to reflect more closely the internal accounting and management control structure of departments could not be widely achieved without jeopardizing clarity'. As I understand it he takes the view, and it is certainly one which I endorse, that the internal reporting

systems supplement the annual accounting to Parliament. They should not, and indeed cannot, be unified into a single structure of so-called accountability.

The Government's views on this matter of accountable units have been well expressed in the formal Observations on the Eleventh Report from the Expenditure Committee. I shall return to them later, but all I need say here is that they are of a piece with the views I have already given. I am sure that the dialogue will continue. I believe it should. We can get nothing but benefit from following this important issue through, provided we do it from a basis of full understanding of the circumstances in which a government department has to operate.

Before I leave the subject of Votes I should like to mention their limitations, even though my view of what these are is a little different from the way the Expenditure Committee has so far seen it. Cash limits are no doubt here to stay, and this year the Parliamentary Grant is being expressed in terms of the anticipated price level that will apply in the Estimate year and not at the level 12 months earlier, which has been the way we have always operated hitherto. This will place new and stringent demands both on the Treasury and on departments. It means, for example, that an attempt has to be made to get the inflation factor right for each subhead of all our Votes when doing the Estimates. It means that we shall have to try harder to control our cash flow in the year to meet the pre-set target. It does not take much thought to show that our long-term supply contracts and our personnel recruiting machinery cannot be jiggled on this short-term basis. The principle of the annuality of accounts is right and I do not challenge it, but unlike almost all other government departments the Ministry of Defence is a large executive business. Yet we have neither a deposit account nor overdraft facilities. Neither are we allowed any flexibility about meeting our liabilities. We have to meet them at the precise time laid down in the Government's accounting rules. It is inconceivable that we can balance our books exactly. Indeed, it is getting more difficult the more we collaborate in the procurement field. It is a great tribute to those concerned that we come out as near as we do. So this area presents quite a problem and we would wish to see as an initial step some arrangements for relatively marginal adjustments between years when despite our best efforts we do not quite get the cash flow right. We have not yet succeeded in establishing our case but we shall continue to represent it, and I believe further changes must come not least in the interests of prudent and economical management.

There are other difficulties with Votes. They do not show in a manufacturing or trading environment what is happening in profit or loss terms. We have dealt with this so far as the Royal Ordnance Factories are concerned by a separate Trading Fund managed by its own Accounting Officer. As with all new ideas, practical experience shows that the initial concept may not be quite right and we have recently been making some adjustments to the relationships between the Vote

and the Fund. One obvious example is the price at which the Fund sells to the Vote. This has to be fair to both parties and I think we now have the measure of the problem. But let us not think we have solved more than this single problem. The ROFs succeed because they have a progressive management, good accounting systems, manufactured products, and are not tied to a single dominant customer government. Are there any other areas where this situation applies?

Obstacles to accountable management

If we accept that accountable management is a proper way to run our internal affairs if not our Vote structure, we have to think how we may do it, or do it better than we are doing, and—most difficult of all—what we mean.

Sir Derek Rayner, for example, after his experience in setting up the Procurement Executive, took the view—if I may judge from what he said in evidence to the Expenditure Committee—that the civil servant tends to be judged by failure not by success, and that this inevitably conditions his approach to his work. As a result he tends to have excessive paper-work, to indulge in unnecessary committees, to delay decision-taking and deliberately to blur personal responsibility. I think we should pay careful attention to this type of criticism, whilst recognizing that there are real practical obstacles in the path of the civil servant who wants to be commercial in his approach and that there are fundamental and irrevocable differences between his working environment and that of the businessman. Briefly, they are:

(1) It is for politicians to direct and determine, with the civil servant in constructive support.
(2) There may be sharp policy changes and constraints which conflict unavoidably with economy in administration.
(3) It is not possible clearly to apply the concept of profit and loss in most of the public sector, though it has its place in the trading sectors of government life.
(4) Parliament is increasingly exercising its power of supervision and and intervention; democracy requires that it should do so.
(5) Much is centralized that in the business world might not be. Centralized control of pay, conditions and grading is a case in point.
(6) In the overwhelming majority of cases we cannot easily get a measurement of the product so as to judge whether what we get for our money is worth the cost.
(7) We are required to try and do too much.

I could go on, but when all is said and done we are left with a need for economy and efficient administration which is at least as pressing as that which falls on the businessman. We just have to do it within a more unfriendly environment and without the ready test of success or failure. So how can we organize ourselves best to meet the need?

Cost or cash as basis of Government accounts

Over the years the possibility of putting government accounting on to a basis nearer to business practice has been considered on several occasions. In the period 1919–1926, and on the recommendation of the Select Committee on National Expenditure of 1918, the War Office began to experiment with an annual accounting system on an income and expenditure basis. But by 1926 it had been concluded that the cash basis should be restored and My Lords of the Treasury informed the Under-Secretary of State, War Office, that 'regular and continuous costing accounts should be employed in all cases except those in which they are clearly inapplicable'. I am afraid that today's Civil Service remains guilty from time to time of Delphic utterances of this kind on ticklish subjects!

The next major study on this subject seems to have been the Crick Report of 1950. They recommended against an income and expenditure basis for administrative services (paragraph 50) but spoke up for Trading Funds and, where a Fund was not appropriate, for Trading Accounts (paragraph 57) in accordance with the Exchequer and Audit Departments Act of 1921, since they were satisfied that an income and expenditure basis is essential for the purpose of arriving at true costs (paragraph 42). They also said that shortcomings in [the then] present arrangements no doubt had something to do with the failure to treat accountancy, throughout the Government service, as a functional or professional occupation (paragraph 160). In the Ministry of Defence at least we have made some progress on this score in the intervening years, but equally much remains to be done.

Parliamentary Select Committees

Perhaps I should make a short diversion here and touch very briefly on one or two parliamentary developments. There are two major recent developments which bear closely on accountability. The first is the increasing openness of Parliament's processes. Not only are some proceedings in the House now heard on the national network but the Select Committees are beginning to admit the public. In the Defence sector there are problems with security but in my view this greater openness is to be welcomed. Indeed, I believe I am right in saying that about 180 of the 270 or so papers submitted to the Defence and External Affairs Sub-Committee have been published. The second development is the Report of the Select Committee on Procedure last year. This report advocates the setting-up of 12 new committees, largely structured on a per-department basis. Under these arrangements the Ministry of Defence would have a Defence Committee and the present Expenditure Committee system would be superseded and pass on its responsibilities to the new bodies. These would be charged with examining the policy objectives underlying departmental Estimates and the extent to which the expenditure incurred had achieved these objectives. The Procedure Committee concluded that the Public Accounts Com-

mittee should continue in its present form and that it has an indispensable specialized role quite distinct from the more general scrutiny of administration and expenditure handled by the Expenditure Committee structure. They also referred to staffing support of the Committee structure and envisaged that the new Defence Committee would wish to continue present arrangements for the loan of Exchequer and Audit Department staff. Whatever shape these developments take I believe our role is to continue to give a prompt and effective response to Parliament's calls upon us and to contribute as far as we can to the better mutual understanding and control that I would see as our joint objective, however painful we may from time to time find it.

The future system

If we stick by our cash system, and I find no current of opinion today which seriously threatens a change in the cash basis, the debate must focus on other aspects. If our accountability is in question, how under a cash-flow control can we expect to improve it? The Expenditure Committee has not yet laid down its cudgels as its Twelfth Report makes clear. The Government has said in its Observations on the Eleventh Report that it will press ahead with 'accountability' as fast as resources permit. What are we in the Ministry of Defence doing about it? We have played our part in advancing the art, but is this enough? I think it is not. Defence Accounts have developed proposals for an overall management accounting concept, a long-term framework within which what has been done and what is still to do can be consistently fitted over the years ahead. We have for the first time got in full operation a hierarchy of modern computer systems covering all the personnel and material sectors of our business which can, given time and effort, be organized to produce the required data. This responsive and relatively cheap data production facility has never been available to us before—we therefore have an advantage and an opportunity which our predecessors lacked. If we have the will we can take another important step forward. I hope these new initiatives will flourish and I shall ensure that they get a fair hearing. But I want to turn now, and it is strictly relevant to what I have said so far, to the accountant's part in these potential developments. Because I am sure that much will depend on how the middle and senior grade accountants play their part over the next few years.

Staffing

If we are to become more efficient, get better value for money and improve our facilities for managerial decision-taking based on good cost data, then we must have staff who are not only professionally well trained but who really know their Defence subject and who can see the problems from the manager's chair as well as from the accountant's. This aim requires a close partnership between the two. We have long followed the policy in the Ministry of Defence of implanting accountants

in the major areas of business so that they can get to know the activity to which they are giving accounting support. But we have not yet sufficiently implanted the professional accounting techniques in the finance areas. I have recently given a policy directive on this point and implementation arrangements are being worked out. I hope to see, within the limitations of our staffing resources, more accountants serving a tour of duty in finance posts in future. Moreover, I want to see many more people qualify as accountants but not be specialists. In a department of the size and nature of the Ministry of Defence the influence of accountants needs to become much more pervasive. I see, therefore, a basic need and expanding opportunities. A major challenge will be to organize the relevant data and to present them in the right way at the right time. We are, I must say this quite firmly, not yet very good at it —and I do not exclude the accountant. He is sometimes worse than the generalist! We do not want floods of figures. Busy managers need to have their attention drawn to those aspects that matter, to the exclusion of those which do not. They need a commentary which bears closely on the problem as they see it. A partnership between management and accounting staff is the crucial first step if this is to be successfully done. And the accountant must be able to recognize that cost, though it is an essential ingredient in the decision, must sometimes be overriden by other considerations, especially in the Defence environment.

The cost of an activity must be considered in relation to the product which that expenditure achieves. There are many difficulties here. We can all make a judgement—largely subjective—on whether a car or a television set is worth the price that is asked. But how much more difficult it is to judge the acceptability of the cost of an in-patient week in a Service hospital, or the cost of training a helicopter pilot, an Army cook or a Navy diver. There are answers to these questions. They involve considering the standard of hospital care or the training specification, and again they involve judgement—but a very complex judgement. All the relevant data and not just the cost have to be assembled. We must require the line manager to develop further his criteria for comparing a given product with its cost. He will say it is difficult but that is not an excuse for failing to do it. We have to have these performance indicators and the responsible manager must be encouraged to help devise them.

I believe we stand on the brink of a real opportunity. We have the techniques and the machinery for substantially developing over the next decade our management information systems. If we can couple a highly-motivated professional staff with a willing and better qualified management we can hope to achieve a significant improvement in our performance. Our books will be open and will read better. The challenge is to management first but to the accountant second, and perhaps in the long run it will be the capacity of the accountants to rise to the challenge which will determine the outcome.

I would like, however, to conclude with three rather broader matters about which we all need to think further. The first is that there tends to be an assumption that the work and function of the various government departments are all similar. Nothing could be further from the truth. Government departments vary enormously whether one looks at their functions or at the people and skills necessary to carry out those functions. Yet this assumption colours many internal and external attitudes.

The second point is: what do we really mean by accountability? I have directed my attention mainly to the terms of the Accounting Officer's responsibility for prudent and economical administration and the means necessary to bring this about. But I have mentioned briefly other elements. There is, of course, the famous dictum in the Fulton Report: 'Accountable management means holding individuals and units responsible for performance measured as objectively as possible. Its achievement depends upon identifying or establishing accountable units within government departments—units where output can be measured against costs or other criteria, or where individuals can be held personally responsible for their performance.'

This is impeccable but how relevant and how important is it, taking government as a whole? I suspect myself that we have devoted far too much time and effort in this direction at the expense of more important activities. There is, too, the aspect of 'accountability' to which I referred very briefly, namely, Parliament's continuing and increasing interest in policy and major decision-making. This issue is mainly about the relationship between the Legislature and the Executive, though the battle is sometimes fought over the rather bruised bodies of the Civil Service. This does seem to me, however, to be a rather different kind of 'accountability'. No one would seek to deny or denigrate its importance. But whatever the outcome, it should not hold up the development of accountability in the sense in which I have mainly discussed it here.

The observations in March last year on the Eleventh Report of the Expenditure Committee seem to me to reflect what we should be doing:

> The Government agree with the emphasis the Committee has put on accountability: the need to inculcate at every level of management a concern for clear objectives and priorities; the effective and economical control of resources; and the importance of monitoring and improving the levels of performance achieved with the resources over which the manager has control. Every manager should be accountable to his superior manager in this sense. Much has been achieved over the last 10 years, but there is still much to do. One of the most important aspects of this is the development of management information and accounting systems appropriate to each kind of work, i.e. systems to provide the necessary basis for sound decision-taking, effective control and the proper assessment of performance. In the absence of the common private sector yardstick of profitability, the development of these systems needs much care and uses up scarce skilled resources; further progress is unlikely to be fast. But the aim remains important and the Government will press ahead as fast as resources permit.

This brings me naturally to the third general point which mainly

concerns people. It is their skill, their ability and their motivation which are crucial to any system—however good. We have got to do more to convince those who are already accountants that there is a worth-while and unlimited career. Conversely we must also convince the increasing number of those who will become accountants that they are not moving into a specialist, restricted field. For the former, we are making a start, as I have already said, in the Ministry of Defence. I am sure that there is no lack of will on the part of senior management. It is up to the accountants themselves to prove the value of their contribution.

I also believe that, like most other organizations, we have got to find better ways of giving some kind of reward to those who are prepared to qualify as accountants and that some of those who do set out to qualify must come from the top end of our graduate entry. Why should we be unique and differ from virtually every other large organization in not looking at things in this very sensible and practical way?

Behind all this there are much deeper problems as to the extent to which we can manage our affairs effectively and be accountable when so many of the crucial elements required for accountable management are highly centralized and lack any real degree of flexibility. We shall need to ask ourselves how best to recruit people? How best to retain them? How best to satisfy them? How best to reward them? How best to train them? Whether we need a more flexible system of retirement? Whether we can decentralize more and give a higher degree of local continuity? These are all parts of the same problem and are 'for another day', but we should not lose sight of them as real issues and more central to management and accountability than we have been prepared to admit. In the meantime, let us move forward purposefully for there is much we can be getting on with.

The Manpower Services Commission

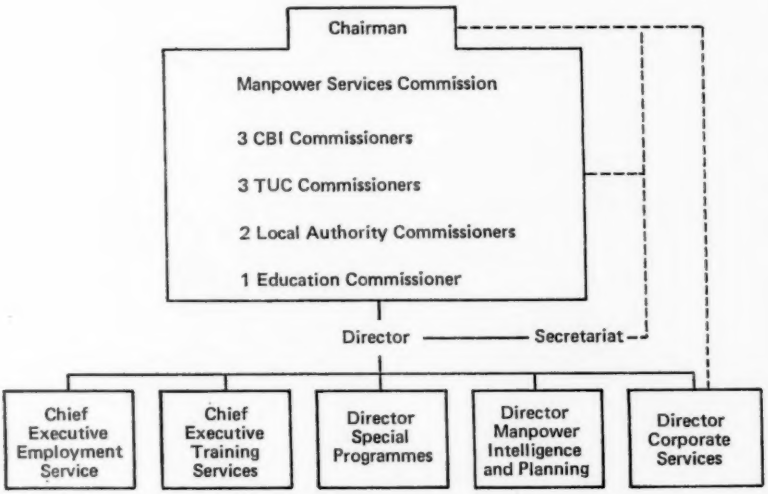
J. S. CASSELS, CB, Manpower Services Commission

John Cassels is the Director, Manpower Services Commission. In the previous edition of *MSIG* we published an article by Mr. S. D. Walker which was a revised version of a paper circulated by CSD to those attending a Civil Service College seminar on accountable management. The following article by Mr. Cassels is based on a paper which he presented at the same seminar. We hope to include a further article, also based on one of the seminar papers, in the next edition. —*Editor.*

Background

The Manpower Services Commission (MSC) was set up under the Employment and Training Act 1973 to take responsibility for the public employment service and training services previously provided

Figure 1 **Composition of the Manpower Services Commission**



by the Department of Employment (DE). The Employment Service and Training Services Agencies were to provide the 'executive arms' of the MSC. However, the Government's desire that the MSC should operate a comprehensive manpower policy and also deal with the effects of rising unemployment led to changes in these arrangements, and since 1st April last year all the functions which had been delegated by the MSC to its two Agencies were taken over by separate divisions of the Commission itself. These changes followed the Management Review of the DE Group in 1976-77.

Figure 1 shows the composition of the Commission. It should be noted that although the Commission employs the staff they are civil servants. The Commission has three operating and two support divisions; the head of one of the latter, the Director of Corporate Services, reports direct to the Chairman (who is the Accounting Officer) on certain finance matters.

The Commission, which has 27,000 employees, runs the Employment Service, the Training Services which provide training opportunities and industrial training, and Special Programmes for the unemployed including the Youth Opportunities Programme. It also runs on behalf of DE the programme of sheltered employment for the disabled and the Special Temporary Employment Programme (for unemployed adults). The total expenditure allocated for all these programmes and services for the year 1978/79 was £696 million. Its composition is shown in the following table:

What the MSC does

	1978/79 £m
Grant-in-aid	
Employment Service	125
Training Services	
Training Opportunities Scheme (TOPS)	223
Industrial Training	114
Special Programmes	
Youth Opportunities Programme	81
Corporate Services, Research and Development	21
Total	564
Activities borne on the DE budget but carried out by MSC	
Sheltered Employment	35
Special Programmes	
Short-term temporary employment, etc	97
Total	132
Total, all activities	696

Management

The Chairman, MSC, is an ex-industrialist, his job being graded at Second Permanent Secretary level. The Director, MSC, is a Deputy Secretary. The heads of the Employment Service, Training Services and Special Programmes Divisions are each supported by a management committee on the pattern of (but in two cases ante-dating) the Chairman's Management Committee (see below)—the ES Executive, the TS Board and the SP Executive respectively. The 'corporate management' style is important and practice at the MSC's head office (see below) is reflected in comparable arrangements in the MSC's field organization, at the area level in ESD and at the regional level in TSD. The work of the three operating divisions in the field is co-ordinated by Regional Manpower Services Directors (Assistant Secretaries), who have direct responsibility (to the Director, MSC) only for Special Programmes; the Employment Service Area Managers and the Training Services Regional General Managers (Senior Principals) report up the line within their respective divisions. Although not the line managers of the employment and training services, the RMSDs chair Regional Manpower Services Boards* whose members include the ES Area and the TS Regional General Managers; DE's Regional Directorate having been abolished, the RMSDs carry out certain functions, including that of representation on the Regional Economic Planning Boards administered by the Department of the Environment's regional directors and on the Regional Economic Planning Councils, on behalf of the Secretary of State for Employment. The devices of the RMSD and RMSB are our solution to the problem of retaining the authority and responsibility of the line divisions in the regions while also providing a means of co-ordinating our activities in the field. It is too early to say finally how successful this will be, though there are encouraging signs.

The Commission does not concern itself with management. The senior management body is the Chairman's Management Committee (CMC). This brings together the Chairman, the Director and the heads of the five divisions to keep under review the Commission's activities. All major matters are considered by the CMC before submission to the Commission. It meets regularly once a month, a few days before the Commission's monthly meeting.

Constitutionally, the CMC advises the Chairman. In practice, decisions are reached by consensus, with the position of the individual who bears prime responsibility for the particular matter under discussion tacitly recognized as having special weight. This has proved very successful in promoting a feeling of shared responsibility for and common understanding of the MSC's programmes and policies. There may be a lesson here which could be more widely applied.

The CMC is a quite formal body, with agenda, minutes and papers

* The 'region' reflected in this title is based on the standard planning region.

both on standing and on non-recurring items. It is concerned with both tactical short-term issues and the long term. A typical agenda for a CMC meeting might look as follows:

(1) Minutes and matters arising.
(2) Commission's next meeting (review of business to be transacted).
(3) Finance report (monthly paper).
(4) Performance reports (monthly report from each division).
(5) Special items:
    Review of Occupational Guidance Service
    Vocational Preparation for Young People (oral report)
    Dispersal of MSC to Sheffield
    Draft Estimates 1979/80
    Skill Shortages: Possible Further Action.
(6) Any other business.

As things have developed we have found it necessary to have extra meetings of the CMC for special subjects, e.g. consideration of the outcome of a review of TOPS or the Training for Skills Programme. Obviously there is a danger that we could have too many meetings.

Planning in the MSC

One of the great blessings of giving control of day-to-day activities to an agency is that it has enabled planning to be put on to a systematic basis and to a considerable extent freed from the necessity to respond constantly to short-term alarms and excursions. The urgent less often drives out the important.

We have medium-term plans looking forward five years over the whole of the Commission's activities. We also have operational plans for each operating division (and in principle for each support division) for each financial year. Each needs to be considered separately.

Medium-term planning

Medium-term plans are needed: to orient our own activities; to secure Government agreement on what we propose to do; to inform the outside world of what we intend to do and get reactions; and to secure the understanding of our own management.

The medium-term planning system is still evolving. Once it has been successfully introduced—and that is a considerable labour—it needs constant attention to prevent its becoming a mere bureaucratic encumbrance. In the coming cycle we shall be attempting new ways of engaging successfully with the problems of the future: you have to ask the right people the right questions in a framework where their answers will be useful. We have not been particularly successful on the 'orientation' part of the four reasons for planning—in practice we have relied much more on reviews (see below)—and we are still looking for better ways ahead.

Fundamental to the plan is the adoption of aims. All our activities must be justified in relation to those aims. For practical progress to be

Figure 2 **How Programmes Relate to Aims**

Programmes / Aims	1 General Placing Service	10 Geographical Mobility	14 Training by Industry	17 Special Programmes
1. Improve Employment Unemployment	✓	✓		✓✓
2. Develop manpower resources	✓✓	✓✓	✓✓	✓
3. Opportunities for workers	✓✓	✓	✓	✓✓
4. Improve Manpower decision-making	✓		✓	
5. Commission's efficiency and effectiveness	← relate to all programmes →			

made towards aims, we have to have programmes with as clear objectives as possible. *Figure 2* shows, on the basis of a sample, how aims and programmes relate to each other. I have chosen four programmes at random to show how an aims/programmes matrix might work; it is, of course, impossible to attach cash values to programme outputs.

In theory the planning activity might be expected to enable individual programmes to be revised and brought up to date as we go along. In practice we have found it essential to have major reviews of programmes as we go along to ensure that they are overhauled and remain relevant. There are always two or three of these reviews going on at any given time, e.g. a review of TOPS and of the aims and objectives of the Employment Service. They are time-consuming and require a great deal of management attention, but have proved quite essential. We did not originally foresee the extent to which reviews would need to be an in-built part of our system.

Operational planning

An outline of the operational planning cycle in one of our divisions, Employment Service, is given in *Appendix 1*. We see operational planning as being of quite a different nature from medium-term planning. It translates intentions into activity; it is based on programmes with outputs against which progress can be measured.

Numerical targets are simplistic but extremely important, for example, in ensuring that a programme is on the scale sought. We are now increasingly facing the problem of moving forward from simple objectives.

Operational planning lies at the heart of accountable management but it does not happen by itself. It is important to recognize that:

(*a*) If it is to be effective, operational planning requires a full-blooded commitment all down the management line, participation by top management being of special significance.
(*b*) One of the problems operational programmes may encounter is that of imposing too much of a straitjacket; there is some danger of this for us in relation, for example, to making our input into the inner cities programme.
(*c*) It is, of course, necessary to design planning systems so as to fit with PESC and Estimates. We have not found it too difficult, although somewhat Procrustean arrangements are needed at various times in the year.

MSC's planning and financial cycles are shown diagrammatically in *Appendix 2*.

Powers of Chief Executives/Directors of support divisions

The split of responsibilities between the heads of operating divisions and the Director of Corporate Services has engaged our close attention. It must be remembered that until autumn 1977 we had no Director of Corporate Services; instead we had two Agencies which had very considerable powers in financial and personnel matters, with the Chief Executives personally taking a good deal of responsibility.

The Director of Corporate Services (DCS) is responsible for both finance and personnel. The finance and personnel work is being integrated under him but the process is taking some time, especially because of dispersal to Sheffield. It is a heavy job.

In financial matters DCS is charged with managing his division so that:

(*a*) MSC arrangements for securing and accounting satisfactorily for resources are adequate in all respects.
(*b*) All divisions have the resources and services they need to carry out their agreed programmes of work.
(*c*) All divisions are helped to apply and use resources and services economically and effectively and to achieve continuing improvement in cost-effectiveness.

He is seen, in other words, as facilitating the work of the operating divisions. Correspondingly an obligation is put on the heads of the latter to ensure that their divisions' resources are managed effectively in co-operation with the support divisions and that continuing improvement in cost-effectiveness is achieved.

On the personnel side DCS is charged with seeing that:

(*a*) All divisions have the resources and services they need to carry out their agreed programmes of work.
(*b*) MSC as an employer adopts and applies proper policies in the field

of personnel management, management development and career planning.

Operating divisions heads on the other hand have responsibility (with assistance from DCS) for drawing up manpower budgets as part of forward plans. The Chief Executives are also authorized to create additional posts up to senior principal level and equivalent, after proper consultation with DCS, who has discretion to raise any matter with the Director as he may consider appropriate, provided that additional posts are: (*a*) within agreed overall ceilings; (*b*) in support of programmes endorsed by the Commission; (*c*) containable within financial estimates; and (*d*) in accordance with the Civil Service Department's staffing and grading criteria.

Most importantly, it is also laid down that it is the responsibility of the Chief Executive and his senior management team to develop well-qualified and well-motivated management and staff who are capable of providing efficient services. The Chief Executive is also responsible for ensuring that managers throughout his division are aware of the need for effective consultation with staff individually and with Staff Side representatives. Each operating division has its own Whitley machinery operating under the overall umbrella of an MSC National Whitley Council.

Monitoring, evaluation and research

We have developed our approach to monitoring, evaluation and research with the deliberate intention of emphasizing the responsibility and need of line management for all three. Thus a responsibility for maintaining effective monitoring systems and evaluation projects is laid on each Chief Executive for all the programmes run by his division, but he is instructed also that the advice and assistance of the Manpower Intelligence and Planning Division and Corporate Services are invariably to be sought in designing these—and the Director MIP and DCS have the right of appeal to me if they believe that their advice is being wrongly ignored. Likewise, we do not have a centralized research budget; each operating division has one, as does MIPD, and the Director of Manpower Intelligence and Planning chairs a co-ordinating committee. We have had research used much more purposefully as an aid to our practical functioning as a result.

Wherever possible we look for numerical indicators for monitoring purposes. For example, in the case of the Training Opportunities Scheme we have regular statistics relating to applications received; applications accepted; numbers in training by type of institution; completions. All the figures are compared with the previous month and year, and progress to the overall objective is commented upon. Every three months the results of follow-up of trainees are available. Frequently there will be additional statistics relating, for example, to instructor recruitment or the results of special promotional campaigns. *Figure 3* shows in tabular form the objectives of one of our divisions, Special Programmes,

Figure 3 **Youth Opportunities Programme Monitoring and Evaluation**

Objective	Monitoring and Evaluation arrangements
Increase number of young people benefiting	1. Area plans set targets for year 2. Regular (monthly) management information on, for example, places available; number of joiners; number of filled places
'Easter undertaking' to school leavers	Regular (monthly) monitoring of numbers of school leavers remaining unemployed and those not yet offered a suitable opportunity
Success of young people in job finding	Follow-up surveys of participants
Quality of opportunities	Monitoring visits

and the arrangements made for monitoring progress towards achieving them and for evaluating the results.

I would emphasize three things. First, it is highly desirable when a new programme is introduced to build into it from the start a system which will enable it to be effectively monitored and evaluated. Thus with YOP and STEP we have sought to set up a computerized system which contains data about every person going through these programmes so that we can tell how successful the programmes are proving, for example, with young people with varying educational qualifications. Even so, any system adopted initially will almost certainly need modification later, e.g. to cut out unnecessary frills or to improve practical workability.

Secondly, there are some programmes which, with the best will in the world, it is exceedingly difficult to subject to monitoring in numerical terms. For example, the impact of Industrial Training Boards on their industries to a considerable extent simply does not lend itself to this, and one is then driven back on a more qualitative approach.

Thirdly, these figures tell you whether you are succeeding in your objective. They do *not* tell you whether the objective chosen was the right one.

So far as financial management information is concerned, we still have a long way to go. The link with Treasury financial information system has not caused any particular difficulty, though of course the introduction of the system involved a good deal of work and it will be some time yet before everybody completing returns is thoroughly expert. We welcome the discipline which the new system has intro-

duced. We are building up our own management accounting systems, on which we have had valuable help from consultants and from CSD's Management Services (Accountancy) Division.

Effect on managers and staff

In general, the effect of the new arrangements has been stimulating to managers and staff. The clarification of the job to be done and what is expected of people is healthy. Involvement in operational planning has encouraged greater commitment. It has also encouraged an outward-looking and market-oriented approach. For example, MSC is in a competitive business on the Employment Service front—we had been relatively passive, now we are very active in our endeavours to get business and to succeed. Very importantly, we have benefited from a flow of fresh air from outside; for example, we have area boards representative of the local community to help us with Special Programmes in the field, while our managers are, and are encouraged to be, available to the media.

However, it is far from sufficient to attribute this simply to new systems and structures. A great deal needs to be done within each division by way of briefing, discussion and, perhaps most importantly, staff training. Without deliberate attention to the needs of individuals it is difficult to move an organization over from traditional outlooks to positive attitudes to risk-taking and to concern with the effectiveness of services. We made a particularly intense staff training effort in ESD, and it was well repaid. Of course, not everybody adapted equally readily to the new approach, but the encouraging thing was how so many managers (regardless of age, incidentally) took to it like ducks to water. This prompts the thought that in the past there was a tendency to under-manage the manpower services—a reflection perhaps of a traditional Civil Service attitude towards the management of activities?

Cost-effectiveness

I have not the slightest doubt that all the effort described above has led to a great improvement in the effectiveness of public employment and training programmes. I cite as examples the following:

(*a*) *The Jobcentres*

Effectiveness of activities: Jobcentre evaluation

Vacancies handled	up 21 per cent
Notified vacancies filled	up 26 per cent
Job seekers placed	up 39 per cent
Unit cost of a placing	down 8 per cent
Job seekers satisfied	64 per cent (previously 38 per cent)

Employers' attitudes: over 50 per cent thought Jobcentres an improvement on Employment Offices.

(*b*) *The Training Opportunities Programme*
TOPS has been expanded very fast (18,000 to 100,000+ in four years) and into many new areas within a very brief period.

(*c*) *Special Programmes*
The Job Creation and Work Experience Programmes and now YOP and STEP have been mounted quickly and effectively on a large scale and have successfully developed quite novel modes of operation.

In general, greater effectiveness has meant greater cost-effectiveness too. But I must say that beyond a certain point I think it extremely difficult for us to improve cost-effectiveness. There are many reasons for this, but fundamentally the environment is not propitious. Partly in our case this has been because the Commission has been expanding and has not been short of resources. Partly it is because the resources available—and often overwhelmingly this means people—are seen as fixed and attention concentrates on achievement. Moreover, the rewards go to achievers rather than to those who make savings (e.g. to a Skillcentre manager who trains more people successfully rather than one who reduces his staff, especially since staff numbers are governed by agreements with the trade unions anyway). This is a deep problem which is common to all the public service. I am convinced that progress will come only as a result of top management conviction that more can and should be done. But this is not easy, given that all the pressures on us are to achieve more results. Nor can we feel, as some companies—ICI is an example—have come to do, that survival depends on constant pressure on staff numbers. Moreover, there is limited scope for effective outside intervention.

The question all organizations must ask themselves is: 'In all of this, what are the real tests of success?' For us, I believe the tests are to be found in our performance in our market and in our standing with those to whom we are in different ways accountable.

Tests of MSC's success

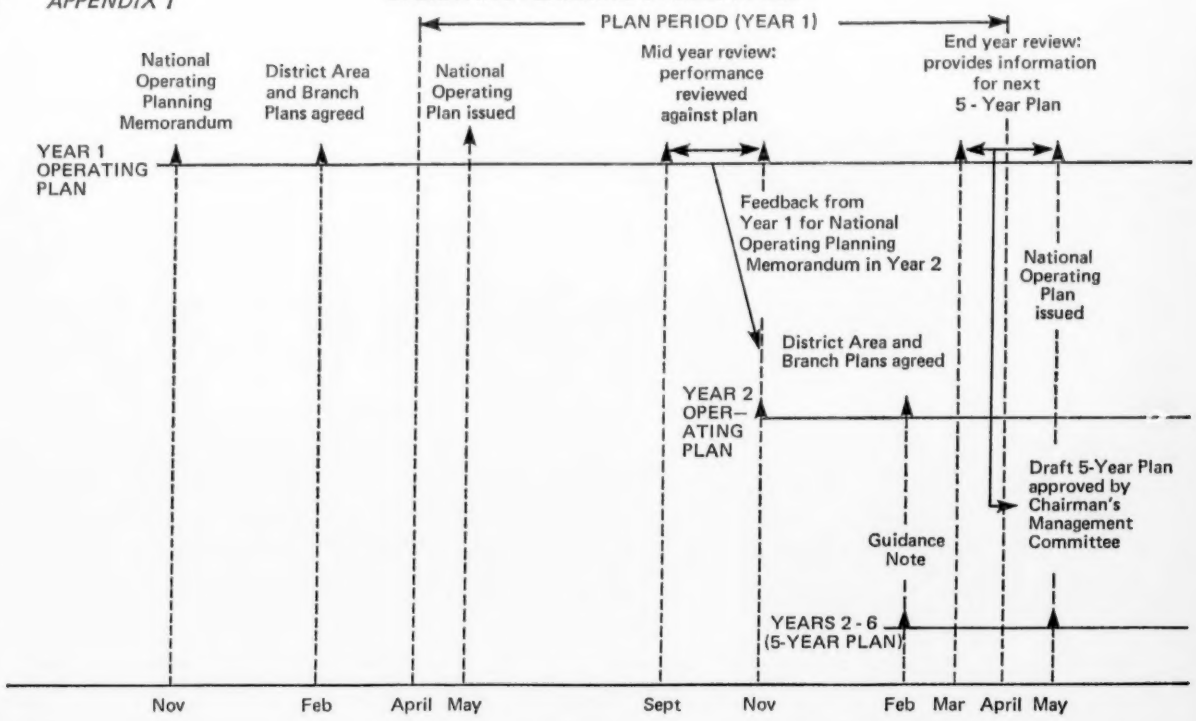
1. *Labour market*
   (*a*) Effective and efficient delivery of services.
   (*b*) Correct choice of programmes.

2. *How MSC stands with*
   (*a*) Government.
   (*b*) Parliament.
   (*c*) Industry, education and local authority worlds.
   (*d*) Clients (firms, job seekers, etc).
   (*e*) Media and public at large.

Appendices 1 and 2 follow at pages 84 and 85.

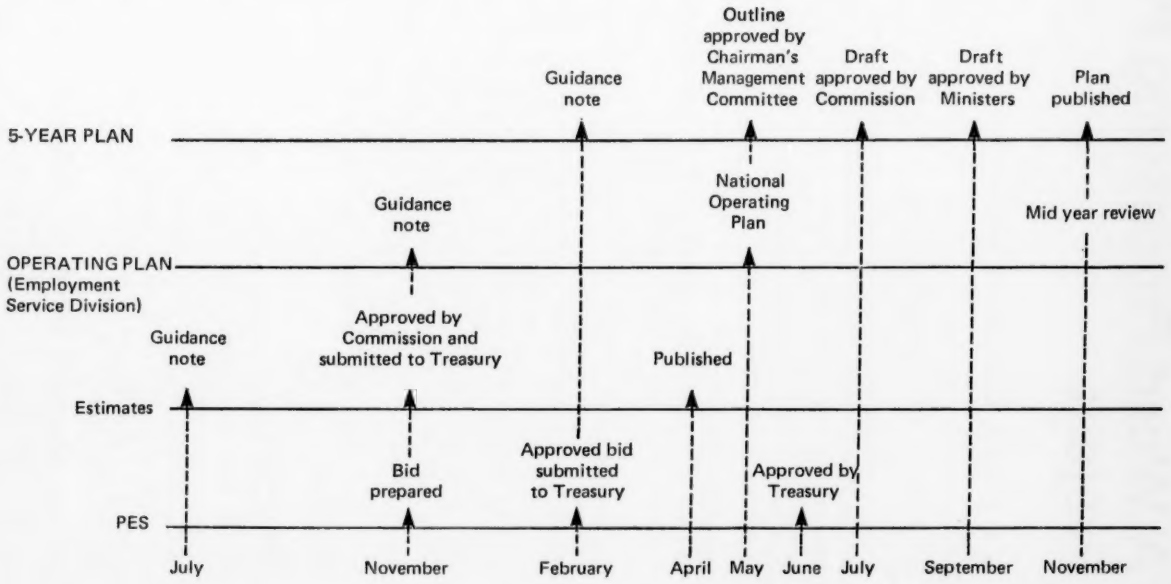
APPENDIX 1

OPERATING PLANNING CYCLES IN ESD



APPENDIX 2

PLANNING AND FINANCIAL CYCLES



A Word Processing Pilot Project

A. E. SMITH, Civil Service Department

Eric Smith is a Principal in the System Consultancy Division (C6) of the Central Computer Agency (CCA). The following is an abridged account of controlled trials with a shared logic word processing system carried out over one whole year by CCA and the Department of Education and Science (DES). Copies of a more detailed report, *Word Processing by Computer: A Report of the Pilot Project at DES Darlington*, may be obtained from Mrs. S. W. Ross, Central Computer Agency, Publications and Information Branch, Riverwalk House, 157–161 Millbank, London SW1P 4RT (Telephone 01-211 7754). —*Editor.*

Introduction

The Central Computer Agency provides the computers required for administrative and scientific use in central government departments, and has a general duty to investigate new techniques in the application of computers and to evaluate them for use by departments. Over the past three years or so the use of mini and microcomputer-based word processing systems in the production of text has become established and is one facet of a general trend towards automation in offices which is likely to have an increasing and eventually profound effect on the way office work is carried out. The co-operation of the Department of Education and Science, and especially the willingness and enthusiasm of the staff in its typing pool at Mowden Hall, Darlington, provided the opportunity for a 12-month pilot project in computer-based word processing which began in 1977 and was formally completed on 28th July 1978. Staff Side collaboration, nationally and locally, was much appreciated.

The project

The project was mainly concerned to assess the effects of introducing a shared logic word processing system for a wide range of typewriting purposes in a typical government typing pool which was already well equipped with electric typewriters and automatic typewriters—the latter being used at Darlington to prepare standard replies to inquiries relating to the Teachers Superannuation Scheme. The aims of the project were to explore:

(*a*) Any measurable increase in effectiveness having regard to the overall costs of typing services.
(*b*) Factors bearing upon career structure.
(*c*) Environmental and job satisfaction characteristics.

The equipment, selected by competitive tender to allow a variety of experiments, was supplied by Wordplex Limited and consisted of a Wordplex-7 central processor, with 80M bytes (characters) of disk storage, four keyboards for input, each with a 2,000-character display screen, and two printers of the 'daisy wheel' type. An additional display screen was purchased for control of printing, and a Wordplex-1 stand-alone word processor was obtained to enable the project to try out working over a telephone link. Later an additional work station (consisting of printer, keyboard and screen) was bought for experimental use by the DES Controller's personal secretary. Total equipment costs, including those of the Property Services Agency at the time of installation, were about £75,000.

The typing pool itself provided typing services to some 680 staff at two locations in Darlington. It was staffed by 18 typing staff of all grades, one superintendent and one senior superintendent. All the staff wished to use the new equipment and were allowed to do so in turns of three months at a time. This coincided very well with the desire of the project managers deliberately not to make any selection of individuals (e.g. by age or aptitude) from the outset.

The output of the word processing system was measured day by day and compared with the output of a control group consisting of the same number of staff, one using an automatic typewriter, the others electric typewriters. This powerful control group, skilled and experienced operators, was crucial to the design of the project and provided a stern test of the capability of the word processor. Unfortunately it proved very difficult to match evenly the mix of work given to the two groups, and results in the early days tended to favour the word processor because there was a tendency—albeit firmly resisted—for it to get more of the kind of work for which it was most suited, e.g. standard letters, draft reports, etc.

The system did not run satisfactorily for the first 10 of the 12 months of the project. There was a variety of reasons for this, the most intractable of which had to do with the electricity supply and the earthing system. In the early months problems were also encountered with the software. The operators' learning curve turned out to be lengthy, despite the fact that they became reasonably proficient in basic operations within a week of being introduced to the system. Even more important, the supervisors themselves found it took a long time to reach complete familiarity with the system. The overall effect was that for the first six months the word processor showed no appreciable increase in productivity over the control group. Morale of the operators was adversely affected throughout this lengthy teething period although they continued to co-operate loyally. The involvement of CCA's Technical Services Division turned out to be essential to the eventual tracing of the sources of hardware troubles.

To supplement the results obtained from comparison of the two groups, the project introduced a series of special exercises in which

individuals carried out tasks of different types, first on conventional machinery and then on the word processor. These gave clearer insight into the types of work for which the word processor was best suited, although in the important area of 'one-off' correspondence—i.e. material typed once only—the results were conflicting and the exercises were on too small a scale to draw statistically sound conclusions. Some of the operators were able to do such letters 50 per cent faster on the word processor, but some actually took longer. It seemed clear that the aptitude of individuals was something to be taken into account.

The project was fortunate in having the co-operation of the Controller and his secretary in having a word processing keystation put into the latter's office. Although the secretary was pleased to have the terminal and considered that it made her more effective, it was not possible to measure this effect in any controlled manner. More importantly, however, the Controller considered that his own effectiveness was enhanced —his correspondence was more timely and he was able to exploit the facilities of the system in composing and drafting text for input by his secretary. This was useful information and indicates that the less easily quantifiable benefits to authors are worth taking into account in addition to typing cost-effectiveness when the installation of word processing is being considered.

The word processor as a communications device was tested by installing the Wordplex-1 at Faverdale, about four miles from Mowden Hall, with a Datel 600 link provided by the Post Office. The transmission speeds employed were 75 baud and 1,200 baud. As the Wordplex-1 does not work from its local store when operating in communicating mode, recall of text held at Mowden Hall was slow. This experiment had no intrinsic value for DES themselves, the prime interest being to observe the working situation. The experiment was discontinued after a short period when its feasibility was felt to have been demonstrated.

Conclusions

The following are a selection of the more important conclusions of the project. Readers wishing to study them in more detail are invited to obtain a copy of the project report from CCA.

1. The general indication is that the gains to be achieved with word processors are well worth while provided the workload is carefully analysed and selected and the aptitude of individuals is taken into account.
2. Documents can be altered significantly faster on a word processor than on a typewriter as only the amended portions need be re-keyed. In exercises in the pilot project increases in individual rates of output ranged from 40 per cent to 200 per cent, depending on the extent of amendment and on operator aptitude.
3. In the use of standard text (whole letters and paragraphs) highly significant gains are obtainable with word processors. Where stan-

dard text can replace manually typed text, productivity gains well in excess of 100 per cent can be achieved.

4. On general correspondence (letters and minutes) prepared from shorthand notes or written drafts the word processor did not clearly demonstrate any advantage over electric typewriters, although audio typing was found to lend itself well to word processing. Some operators were able to show great improvement in productivity but some were actually slower.

Implications

The implications of word processing technology do not only relate to the immediate effect on typing services, although most organizations will first look for cost-effectiveness arising from improvements in typing throughput. In fact, any organization with a substantial typing load done on conventional typing machinery would now be expected to analyse its work to determine how much of it would be suitable for transfer to a word processor. Suitable work means standard text, drafts of all kinds, loose-leaf manuals, directories and codes of instructions which are up-dated from time to time.

The benefits of word processors to authors, or to secretaries, or as components of an integrated automatic office, are less easy to quantify and require a great deal more imagination both to visualize and to achieve. It is benefits of this kind, linked with advances in other branches of technology, which will be the subject of further phases of study into office automation.

How do all these changes affect staff? By no means unfavourably. Better typewriting services will lead to demands for better typescript which may very well mean more typewriting—just as the advent of photocopiers led to demand for more copies. Word processing skills are a career asset which many individuals acquire and use with satisfaction and enthusiasm. The enhanced methods at their disposal seem likely to allow staff at all levels to contribute more fully; for example, in the linking of the roles of document preparation and retrieval of relevant past correspondence. Many too would want to work in what they see as an up-to-date well-equipped environment in preference to an old-fashioned and backward one. Proper exploitation of the new technologies above all will enable us as a nation to remain competitive.

Editor's note

Readers may like to know that the Management Services (General) Division of Civil Service Department is currently staging a series of trials in six departments to evaluate the effects of word processing on the individual types of work making up the full range of typing work found in the Civil Service. Their findings will be the subject of further articles in later editions of *MSIG*.

Also, two word processors are installed at CSD's Demonstration Room at the Civil Service College, 11 Belgrave Road, London SW1V 1RB, where they can be viewed on application to Mr. E. G. Hunt (Telephone: 01-834 6644 extension 332). The machines are the Logica VTS100, which is to be marketed by NEXOS Office Systems Ltd, and the Data Recall Diamond 3.

The Treasury Financial Information System

Dr. K. ALDRED, Her Majesty's Treasury

Keith Aldred is a Senior Principal Scientific Officer in the Joint Treasury/CSD Operational Research Unit. He was a member of the feasibility study team for the Treasury financial information system described in this article and until recently has been concerned with the implementation of the system. —*Editor.*

Introduction

The Treasury financial information system (FIS) has been operating for about two years. Its genesis was described in an article published in the May 1977 edition of this journal.*

The introduction of FIS brought two main developments: a new system of monitoring expenditure, and a single integrated computer system on which all public expenditure plans and monitoring information were brought together. This article is concerned chiefly with the new monitoring arrangements. Thus, the article first considers briefly the role of information in the control of expenditure, goes on to consider the requirements of the information system and then the elements of the system actually developed. Finally there is a discussion of experience with the system and some thoughts about the future.

Control of expenditure

Control of public expenditure is a typical large-scale planning and control process. Responsibility for control ultimately rests with spending officers in departments each of whom is controlling a particular activity by controlling (so far as possible) those factors which determine the levels of activity and expenditure. Thus an Establishment Officer may control the level of staff and thus staff costs, or the director of a laboratory may control an equipment budget by controlling orders. These spending officers need three tools: a plan, information on progress, and a means of understanding the determinants of expenditure.

Above this fundamental level of control, which may vary widely according to the nature of the expenditure, are higher levels of financial control in departmental finance branches and the Treasury itself. Financial managers at higher levels also wish to control the level of expenditure but their means of control is indirectly through those reporting to them rather than directly on the determinants of expen-

* 'The Financial Information Systems Project' by F. E. R. Butler and Dr. K. Aldred, *MSIG*, Volume 32, Number 2, May 1977.

diture. Any financial manager with a number of spending officers reporting to him will, therefore, need to be aware of how his spending officers are spending against their plans and respond appropriately.

The range of possible actions open to a financial manager is rather different from that of a spending officer. He may apply pressure on spending officers to exercise more control, he may have some ability to exercise control himself or he may reallocate between spending officers. Financial managers at higher levels therefore have a plan, indeed will have been responsible for generating or agreeing it, and need information on progress against it, but their understanding of the determinants of expenditure is rather different from that of the spending officers. Their main interest is in knowing the spending officer's view and in judging how far he is to be believed and how far he is able to spend more or less if requested.

Therefore control of public expenditure can be considered to require three types of system:

(1) A planning system which is needed at all levels of financial control in departments and the Treasury.

(2) An information system reporting spending against the plan and the likely outcome flowing from spending officers through successive levels of financial management to the centre.

(3) A forecasting system mainly to allow spending officers to understand and control their own expenditure as well as possible.

FIS is used to assist in establishing and recording public expenditure plans (1) and as a system of reporting spending against the plans (2) particularly between departments and the Treasury.

The planning system for public expenditure is described in detail elsewhere* and it is sufficient here to recognize that three types of plan exist which require monitoring information. These are: the public expenditure survey, a five-year plan in constant (survey) prices and structured by programmes; Supply Estimates, the annual provision to government departments in cash and structured by Votes; and the economic forecasts, in constant and current prices and structured by economic category. Cash limits for voted expenditure have now been merged with the Supply Estimates.

Requirements of an information system

If information is to be useful it must be sufficiently prompt and frequent and compare like with like; in this case it must compare plans with actual expenditure in the same terms. This implies setting up profiles of expenditure against which to compare actuals and working with common items and common price bases.

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* See, for example, 'The Management of Public Expenditure', supplement to *Economic Progress Report*, H.M. Treasury, October 1978.

Promptness
The point of receiving information is to allow action to be taken; if information is delayed events may have moved on so that any action available is no longer appropriate or effective. To control expenditure within as short a period as 12 months it should not be necessary to wait longer than a month after the end of each reporting period, and ideally information should be no more than a few days old. The system actually developed falls in between these.

Frequency
Information must be frequent for the same reasons as it must be prompt. In addition, the longer a discrepancy goes unrecognized the greater the corrective action necessary is likely to be. Financial managers generally need to monitor less frequently than spending officers, particularly if the latter can be relied upon to maintain a reasonable degree of control. The initial aim for FIS was monthly reporting, but in practice a mixture of quarterly and monthly reporting was adopted.

Plans and profiles
In order to compare expenditure with that expected during the course of a year the plan must be broken down into the expected pattern, or profile, of expenditure which is consistent with it. The fineness of the breakdown must match the frequency of reporting, so ideally a monthly profile is required.

Items
For comparison purposes the information must relate to the same items as the plans. This is not trivial as the public expenditure survey, Supply Estimates, economic forecasts and (pre-1979/80) the cash limits are each expressed in different prices and divided into different types of element. For FIS purposes expenditure was divided into the largest elements which would fit into only one subprogramme, subhead and national accounts category (nac), i.e. the highest common factor, these being the smallest components of the public expenditure survey, Supply Estimates and economic forecasts with which the Treasury is normally concerned. These elements (with a handful of minor exceptions) always fell within one cash block and in many cases subhead/nac uniquely defined the subprogramme. Thus the elements have come to be referred to as subhead/nacs, and all profiles and information on expenditure are held at this level.

Price base
Since plans are set in both cash and volume terms it was important to monitor both in cash and in a suitable constant price base, for which survey prices were chosen. The profiles are therefore expressed in both, with a price index relating the two for each quarter to give a complete picture. Thus the prices of the public expenditure survey and the Supply Estimates are directly reflected in the system. Constant price

information for economic forecasting and statistical publications must be translated into the appropriate base.

The elements of the system

So far this article has described in outline the role of information in the control of expenditure and the features necessary in an information system to assist in Treasury monitoring and control of expenditure. This is the background against which FIS was developed. The main elements of the system are:

(1) The APEX (analysis of public expenditure) system which provides information on actual expenditure soon after the end of each month.
(2) A system of quarterly Expenditure Returns to analyse variations between actual and planned expenditure for larger subheads and in cash and volume terms.
(3) Original profiles to provide a starting point for the quarterly analysis.
(4) A computer system which stores the agreed plans and produces monitoring reports collating the information provided by (1) and (2) and comparing it with the original profiles (3) and with the amounts allowed for in the plans.

Each of these elements is described in more detail below.

APEX

Information on actual expenditure is fed monthly to FIS from the APEX system operated by the Paymaster General's Office (PGO). This system gathers information on expenditure as a by-product of the banking service which PGO provides for most departments. Departments make their payments by means of payable orders drawn on PGO, which are sent to payees and then passed through the banking system and back to PGO like ordinary cheques. When a payable order is drawn the issuing department must also write the details of the order on a schedule which lists the orders issued and authorizes PGO to pay them. On every day on which orders are dispatched, the department must also send a corresponding schedule to PGO.

As the orders themselves are presented for payment via the banking system, the details on them are compared by the PGO computer against the details on the schedule.

Clearly the schedules must arrive at PGO quickly for efficient operation of the system. As each payable order is separately identified on the schedule this opens the possibility of analysing expenditure quickly and in considerable detail. The accounting procedures in each department require every payment to be charged against an account in its books, but prior to the introduction of APEX the detailed charge information was not included on the schedule. In order to operate APEX codes designating the accounts are added to the schedule and thus the expen-

diture against each account can be recorded by the computer. So far as possible departments' own account codes are reproduced in the APEX system and expenditure is recorded against these. In effect, for many departments the PGO computer contains a duplicate of the department's own ledgers. Typically these account codes go into much greater detail than is required centrally. APEX holds approximately 50,000 account codes, more than 10 times those on FIS. Thus, in order for APEX to aggregate the information in it, each account code is referenced in a 'translation file' which identifies the subhead/nac cell to which it belongs. Each department supplies PGO with the translation details appropriate to each account code. Thereafter the department only needs to quote the account code itself and the computer links it to its corresponding reference.

Not all expenditure can be immediately referenced to the appropriate subhead/nac. Where the exact amount or nature of the expenditure is not clear at the time of payment, departments often charge it initially to a suspense account, e.g. advances to staff for travelling and subsistence expenses. Although the correct account code is not known for certain in these cases, usually an assessment of the likely account code can be made. In the APEX system such assessments are used to attribute expenditure charged to departmental accounts to the subhead/nac where it is anticipated it will eventually be charged. This method gives the closest approximation to the way expenditure is actually being incurred during the year.

There are a number of variations on the basic system. For example, schedules are coded in various ways according to whether individual items have different account codes or whole schedules or batches of schedules have the same account code. Departments with computer systems in some cases send daily summaries of the amount charged covering a batch of schedules. Receipts and adjustments are not associated with schedules and information on these has to be notified separately. Expenditure on pay is given special treatment as, although gross pay is charged at the end of each month, some of the actual payments in respect of income tax and national insurance are not made until the following month. Expenditure of a few departments, who do not use PGO banking facilities and so do not submit schedules, is included in APEX by the use of separate forms not linked to specific payable orders. In this way the complete picture for voted expenditure is obtained.

The accuracy of the information in the system is protected by check digits on the account codes and check totals on the input documents, and the accuracy of the system has been generally good. Most errors would also have occurred with any alternative means of collecting the same data.

Although primarily designed to provide information to the Treasury, detailed and summary analyses of the expenditure recorded in the system are returned to the departments and in some cases are used as

the raw material for the completion of FIS Expenditure Returns (see below). A special analytical facility enables accounts to be grouped in a flexible manner and group totals produced. This facility can ease the production of Expenditure Returns and can also be used in departments for special analyses of expenditure.

Because information is received by PGO daily from most departments, APEX contains a record of cumulative expenditure to date which, with minor exceptions, is up to date as of two days previously. Three days after the end of each month, apart from these exceptions, the record of expenditure for the month is therefore complete and a summary magnetic tape is prepared for the Treasury. At the same time the reports for the departments are prepared. This is followed two weeks later by a further tape giving any late adjustments and covering the exceptions.

The profile and the Expenditure Return

APEX is an effective means of obtaining information on actual expenditure but by itself does not allow any comparison or analysis of divergencies. Comparison and analysis is the main role of the profile and the Expenditure Return.

For each subhead/nac above a '*de minimis*' level departments send a profile form to the Treasury at the beginning of each financial year and an Expenditure Return form on five occasions subsequently; once at the end of each quarter with an additional return to coincide with the Spring Supplementary Estimates. The '*de minimis*' level, generally £5 million, was set to reduce the number of forms departments had to complete. Over 96 per cent of voted expenditure was found to be incurred on subheads over £5 million but these subheads were only a quarter of the total. In addition, in some cases one return is used to report expenditure on several subhead/nacs. This also reduces the number of returns required for a given coverage. Overall about 1,600 out of 4,200 subhead/nacs into which voted expenditure is divided are covered by Expenditure Returns, and these contain over 98 per cent of expenditure.

The returns are sent to the Treasury within 20 working days after the end of the appropriate period. This provides a reasonable balance between the necessary promptness and frequency and the time needed in the department to consider actual expenditure against the profile and assess the likely consequences. In nearly all cases the information on the returns is based ultimately on the views of the spending officer, whatever form of report is used. In some departments there are several levels of financial management above the spending officer and it therefore takes a little time to assemble and consider the returns to the Treasury. Although the Expenditure Return form was intended in the first instance for reporting by departments to the Treasury it was also deliberately designed so that it could be used for reporting from any level to the next higher level and so that a higher level report could be

derived simply by adding equivalent boxes in the forms for the constituent parts. At least one department in fact chose to use the Expenditure Return format in precisely this way, and this eases the process of aggregating the information.

The department is asked to provide on the Expenditure Return its best view of actual expenditure and likely expenditure for the year. Thus, as with APEX, money recorded in a suspense account should be included and the figures should give the most accurate assessment possible of money spent consistent with the timescale of the returns. Promptness is more important than penny accuracy.

The original profile forms the starting point for the analysis during the financial year. For each subhead/nac covered by the system the department states the total expected expenditure and the quarterly path over the year in both survey prices and cash. The two profiles are related by a price index which gives the expected price level in each quarter relative to survey prices. Although the profile form asks for a quarterly profile it is divided by the computer into a monthly profile against which actual expenditure from APEX is compared.

The Expenditure Return is designed to be completed by carrying out a step by step analysis of expenditure against profile. Starting from actual expenditure in the quarter (derived from APEX or the department's accounts) the first step is to distinguish price and volume changes. The cash expenditure is divided by an index representing the actual level of prices in the quarter relative to survey prices. The source of the index varies. In some cases, for example, with wages and salaries, the movement in prices can be calculated by comparing actual costs with the same goods or services costed at survey prices. The index can be easily derived and the cost at survey prices is already known. In other cases it would need considerable record-keeping to note the variety of purchases and their costs at different times, or the information might not be readily to hand. In these cases price movements can be calculated by using an appropriately weighted combination of indices from a centrally compiled source, such as some components of the Wholesale Price Index. Expenditure at survey prices can then be derived by dividing the index into the cash expenditure.

The second step is to compare the volume of expenditure (the expenditure at survey prices) thus obtained with that expected for the relevant quarter. The aim is to analyse the differences into policy, estimating and timing changes. Policy changes are identified first, as only announced changes can be classified in this way; all other changes must fall into the other two categories. The essential difference between an estimating and a timing change is that an estimating change is one expected to affect the total expenditure for the year, while a timing change is expected to be self-correcting within the year. The form is so designed that timing changes in the current quarter must be balanced by compensating changes in later quarters. Policy and estimating changes affecting later quarters should also be entered.

This analysis leads automatically to a revised profile at survey prices, which for past quarters represents actual spending and for future quarters a forecast revised in the light of the latest information. This revised profile is carried forward as the starting point for the analysis on the next Expenditure Return. Thus the current profile begins as that on the original profile form and is modified by successive returns until it becomes a record of actual expenditure. The successive modification of profiles in this way provides an incentive to careful analysis as discrepancies wrongly attributed early in the year tend to increase subsequent differences between the actual expenditure and the profile. This discourages (but does not eliminate) wishful thinking, for example, that a project which is slipping will catch up before the year is over.

The final step is to calculate a new cash profile by inserting new price indices for each quarter, actual for past quarters, and deriving the cash figures. For past quarters the cash profile is simply the cash spent. It should be noted that the profiles are of spending in the quarter rather than cumulative spending for the year up to the end of the quarter. This approach makes analysis of differences significantly easier as only those differences between actual and profile in the current quarter need to be considered. The picture is not confused by any differences attributable to earlier quarters which have already been explained and allowed for in an earlier revision of the profile. In addition, the ratio of the expenditure at survey and cash prices gives a price index for the quarter in question, and not for the average of the year to date. Since price indices are usually understood as relating to a particular month or quarter this aids both understanding of the price movements and use of centrally compiled indices.

Cumulative comparisons, where they are useful, are made by computer reports but they are not used for the quarterly analysis. Not all expenditure has price and volume components; some is essentially cash, for example, agricultural grants. In such cases the profiles and the analysis on the Expenditure Return are in cash terms alone, but otherwise they have a similar structure. An example of an Expenditure Return form is shown in the figure overleaf.

Computer reports

In order to use the information to fulfil its role of overall control of public expenditure, the Treasury needs a suitable summary of how spending is going against the profile, what totals for the various programmes and Votes for the year are expected by the departments responsible and to be able to judge whether such an outcome is both realistic and permissible. The information received on the profile forms and Expenditure Returns and from APEX is therefore stored on a computer (the Treasury/Central Statistical Office Univac 1106 installation) and suitable summaries and comparisons extracted which are sent to the departments as well as the Treasury or Civil Service Department division concerned. The reports require not only the monitoring

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HM Treasury
Parliament Street
London SW1P 3AG

Form No. Q10

Expenditure return type A

for expenditure expressed in volume terms

Return to Treasury GEA (data control) by: 28 JULY 1978

Officer to contact: A. N. OTHER. Telephone No. Date of completion: 26 JULY 1978

Tick as appropriate
☑ expenditure
☐ receipts

Note
Receipts items should be preceded by a minus (—) sign on this form

Reductions in receipts should be positive: positive items are *not* preceded by a plus (+) sign.

Quarter ending	To the nearest £0.1 million
1 Outturn for quarter	11.0
2 Index value for quarter (Survey prices = 100)	104.9
3 Outturn deflated (line 1 ÷ line 2 X 100)	10.5
4 Difference (line 1 — line 3) (due to pay/price changes)	0.5

For Treasury use only

Tran type	ER No.	Year	Class	Vote	PESC code	Sub-head	NAC
Q10	1	78	18	01	180201	B02	03A

Where more than one PESC code, Subhead or NAC is covered by this ER an asterisk * appears in item 20 and only the major category is specified in items 7–20.

Lines 5-10 are at Survey prices	Card No.	£ millions to the nearest £0.1 million April–June	July–Sept	Oct–Dec	Jan–Mar	Year total
5 Previous profile brought forward (line 10 from previous ER, or for end of June ER, opening profile)	01	11.3	11.9	12.4	15.3	50.9
Changes during this quarter						
6 Treasury adjustments	02					
7 Policy changes	03					
8 Estimating changes	04			-1.0	-1.5	-2.5
9 Timing changes within the year	05	-0.8	0.3	0.5		
10 Revised profile (at Survey prices)	06	10.5	12.2	11.9	13.8	48.4
Lines below are at outturn prices — actual for quarters to date, forecast for remaining quarters						
11 Index for each quarter (= line 2 for this quarter)	07	104.9	106.4	108.0	109.3	
Inflate line 10 by line 11 to arrive at:						
12 Revised outturn profile (= line 1 for this quarter)	08	11.0	13.0	12.9	15.1	52.0
13 Cash limit profile (where appropriate)						
14 Latest Estimates provision including published supplementaries						
15 Forecast excess or saving (line 12 — line 14)						

information but also the agreed provision in the public expenditure survey, Supply Estimates and cash limits. These are held with the monitoring data on a single computer system developed as part of FIS. Three types of monitoring report are produced:

(1) Reports comparing forecasts of expenditure for the year on the Expenditure Returns with the agreed provision.
(2) Reports comparing actual expenditure to date with the original profile and projecting the total expenditure for the year if the same relationship persists.
(3) Reports identifying Expenditure Returns which may be unrealistic.

Reports which compare actual spending and the forecast total for the year with the agreed provision typically show in each line the details of a subhead/nac and in the total line a comparison with the agreed provision for the vote or subprogramme. A report of this kind will warn the Treasury if a department is intending to exceed its agreed provision or to underspend it by a large margin. The reasons may be well known to the Treasury or CSD division concerned, but if not it will be alerted to the need to take the matter up with the department. During 1978/79 monthly reports were produced showing comparisons with Vote and cash limit provision in cash terms and quarterly reports were produced with similar comparisons and also showing comparisons with survey provision at survey prices.

An example of the second type is used each month to calculate projections for each cash block of the total expenditure for the year which would result if the rate of expenditure to date compared with the original profile were to continue for the rest of the year. These projections are only crude, but they help to identify cash blocks where a more careful assessment of expenditure may be necessary and the report has been used regularly in monitoring expenditure against cash limits during 1977/78 and 1978/79.

The third type of report aims to identify unrealistic forecasts. Forecasts of expenditure for the year on Expenditure Returns could be unrealistic in two ways; they could show unrealistic timing changes or price movements. Unrealistic timing changes typically occur when in the early part of the year spending is below the profile. Spending officers in departments naturally hope to do their best to carry out their programme and thus (in the absence of savings) to spend their budget. If slippage occurs in the early part of the year, perhaps through delays in finding contractors or in delivery of equipment, they will hope to make this up in the later part of the year. This will be reflected in timing changes on the Expenditure Return moving the unspent part of the profile to the year end. To some extent 'catching-up' of this kind can be achieved, but often spending officers can be unduly optimistic and the returns will reflect this. One of the computer reports picks out subhead/nacs with substantial timing changes for scrutiny by the Treasury.

Inaccuracy in the reporting of price movements on Expenditure Returns can lead to a false view of the extent to which any cash expenditure represents a volume rather than a price change and hence whether the underlying economic activity is affected. It is difficult to provide an independent check on price movements in detail but the computer is used to compare price levels given on the Expenditure Returns with the appropriate components of the Wholesale Price Index, published by the Department of Industry, and other centrally compiled price information.

Use of FIS in setting control figures

The monitoring information can also be used to assist in setting the appropriate level of provision for future years. The revaluation by departments of the public expenditure White Paper can be compared with price movements shown on the Expenditure Returns and by centrally compiled price indices and any differences investigated. During the scrutiny of Supply Estimates information on spending in the current year is available which provides a guide to how realistic the department has been in the past in forecasting the expenditure in question.

Experience with the system

The system began operation in April 1977, following development to a very tight timetable, and various features were progressively introduced over the following year. Like any new computer system it has had its teething troubles as one facility after another was progressively introduced to real rather than test data. The second year of operation has been much smoother, despite major changes in the procedure for setting Supply Estimates and cash limits between the 1978/79 Supply Estimates and the new Supply Estimates, including provision for future pay and price increases, for 1979/80.

Since the autumn of 1977 monthly meetings have been held in the Treasury to consider the monitoring information generated by the system and in particular the likely outcome for expenditure subject to cash limits. In both 1977 and 1978 the expenditure for the first half of the year and the original profile for the same period was published for each cash block at the same time as the Winter Supplementary Estimates. In each year too a review of expenditure in the current year at survey prices has taken place prior to settling the figures in the public expenditure White Paper in order to get the best possible assessment of the likely expenditure in the current year.

Despite this it is still early to assess the full value of the system. Use of the system so far has concentrated on the broad level of expenditure. It will take time for junior levels of staff dealing with particular programmes to become used to working with additional information and new methods, but there are already instances where information from the system has sharpened the discussions between the Treasury and departments.

Next steps

FIS is an important step forward in the development of public expenditure control systems but it is important to recognize what it does not do, and therefore what further steps should be taken, as well as what it achieves.

First, although FIS was designed as a system which could be used internally by departments, the standard FIS forms are only compulsory for reporting from departments to the Treasury. Thus while departments had to find some way of assembling the information on the returns there was no compulsion to use an Expenditure Return format for their internal systems supporting FIS. The degree to which the principles of the system have been fully taken up has therefore varied. The computer reports for monitoring expenditure which are sent to Treasury and CSD divisions are also sent to departments, so that departments and the Treasury can discuss the information more easily. The reports are of limited use for the department's own purposes as departments generally prefer to summarize the situation on their own expenditure in greater detail than the FIS reports and to take action before the Treasury has summarized and processed the information.

Taken together these suggest a need for further development of financial information systems in departments. In some cases this is progressing. The system planned by the former Department of Trade and Industry, which helped to stimulate the development of the Treasury system, has been modified to include the Treasury system for monitoring expenditure and now serves the four departments of Industry, Energy, Trade, and Prices and Consumer Protection. This is the exception rather than the rule. There may be scope for a flexible financial information system package which could be used by a number of departments on their own computers and slanted towards their own needs, as well as generating the Expenditure Returns to be forwarded to the Treasury.

Second, the system even if extended to operate widely in a parallel fashion in departments is an information system and not a forecasting system. Of course, one method of forecasting is to compare expenditure to date with the profile and project expenditure on the basis that the same proportion of the total profile will be spent by the end of the year. This is reasonable in some cases, but the purpose of a monitoring system is not to forecast using this simple rule, but to check whether forecasts made earlier are turning out to be correct. For each area in which money is spent a forecasting system is required. This may be simple (for example, number of staff in post multiplied by cost) or relatively complex (for example, the Highways Management Information System*), but the essential requirement is that it should forecast expen-

* See 'A System of Models for Planning Highways Expenditure' by Dr. K. Aldred and B. L. Glicksman, *MSIG*, Volume 31, Number 1, February 1976.

diture (and results or other values of interest) given present plans or any likely alternative plan which might be adopted. When a plan is decided the forecasting system should be able to give the corresponding expenditure profile which is the basis for monitoring. If subsequent monitoring shows actual spending to diverge from the profile the forecasting system should be able to show whether the divergence is significant, what the cause is, what action can be taken to bring expenditure under control and what the revised profile should be. If the forecasting system fails to do this and produces consistently inaccurate forecasts then it needs to be reviewed and improved. Thus the forecasting and monitoring systems are complementary. The forecasting system provides profiles and forecasts needed for monitoring, and the monitoring system checks that the forecasting system is performing adequately. Experience with the monitoring system so far has shown that there are many areas of expenditure where the forecasting system should be investigated to see whether some improvement is possible.

Third, FIS, like the planning and forecasting systems, is concerned mainly with expenditure and not with results. Controlling expenditure is important, but money is spent for a purpose and a balanced system of control should consider results as well as spending. This is difficult; the use of resources on different programmes can without too much distortion be measured in the common unit of money, but results of public expenditure programmes cannot in the main be valued in the market place, nor is there any straightforward consensus on their relative worth. Nevertheless, work has been carried out in developing output measures for public expenditure programmes and there is scope for more.

Acknowledgement

Development of a financial information system to cover such a wide field of activity as public expenditure and the ideas behind it are not something which can be achieved by one individual. Many people contributed to the design of FIS and most are mentioned in the May 1977 article. This article owes a great deal to my colleagues on the project, named and unnamed, and to other colleagues before and since whose work and ideas have helped to clarify my own.

The Work Research Unit of the Department of Employment

E. J. PLEASANCE and F. G. J. SALDANHA,
Department of Employment

Origins and objectives

The Work Research Unit was set up in December 1974 to promote work systems which would improve the quality of working life. This followed the recommendations of Dr. N. A. B. Wilson who in 1970 had been commissioned by the Government to review industrial experiments undertaken to improve the quality of working life both in this country and abroad. Dr. Wilson's findings, set out in his report *On the Quality of Working Life** were:

(*a*) With the consolidation of industry into larger units and with the increased pace of production and shortening of job cycles major gains had been made, but a stage of diminishing returns had been reached and a prima facie case, at least, existed for regarding some features of a variety of modern work systems as stressful.

(*b*) There existed a wide consensus among people closely connected with the systematic study of working life that these problems are real in their effects on absence, labour turnover, defective work, etc. There was also a good deal of experimental evidence to justify this connection.

(*c*) With the rise in the standard of life and in education there was a concomitant rise in the levels of expectation such as the demands for job satisfaction, scope, opportunities for exercising skill, etc, in working life. A need was evident for stimulating a greater feeling of day-to-day involvement and achievement in work through 'work structuring' in its wider sense.

(*d*) There had been convincing demonstrations that modern work systems can be devised to meet the needs of a competitive economy while, at the same time, affording a range of jobs which are at least comparatively satisfying and progressive for most of the people available to do them. When greatly extended this would lead to the fuller utilization of human resources for the attainment of shared benefits.

(*e*) There was a need for more knowedge, more experience and more systematic and controlled trials in this area.

In his report Dr. Wilson recommended that the Department of Employment (DE) should set up a small unit to formulate and manage

**On the Quality of Working Life* by Dr. N. A. B. Wilson. London, HMSO, 1973. (Department of Employment Manpower Paper No. 7.)*

a major research and development programme as well as acting as a stimulating and monitoring agency. The unit would also build relations with outside academic and industrial organizations which would execute appropriate sections of the research and development programme—The Job Satisfaction Research Programme—which would be concerned with improving the technology of change processes, evaluating the effects of changes intended to improve the quality of working life and examining new forms of work organization. The central focus of the programme would be the content of peoples' jobs, the way they are organized and the effects on individual well-being. Thus the programme would describe:

(*a*) The process of change, the way it is managed by people in the organization, the conditions necessary for success and the contribution of external and internal change agents.
(*b*) The content of changes and their effects on individual attitudes, on behaviour at work and on the organization's output and operating methods.
(*c*) The costs and benefits, including those that are difficult to quantify, that accrue to individuals and to the organization as a result of changes.

The Government also set up, in June 1973, the Tripartite Steering Group on Job Satisfaction to stimulate interest in the quality of working life and, in particular, to encourage managements and trade unions to take joint action directed at increasing the job satisfaction of employees. The Steering Group is composed jointly of representatives of the Government, the TUC and the CBI under the chairmanship initially of the Minister of State in the Department of Employment. The Steering Group spent their early meetings being briefed by academics and people from industry with experience in new forms of work organization. In February 1974 it visited Norway and Sweden to look at the Volvo, Saab Scania, Norsk Hydro and other companies and to discuss the national programmes that had been initiated there.

The Steering Group supported the setting up of a Unit which became known as the Work Research Unit, and also initiated the Job Satisfaction Research Programme, the first project beginning in the Administrative Staff College under Professor R. Wild. The Work Research Unit later provided the secretariat of the Steering Group and its existence was publicly announced by Mr. Michael Foot, then Secretary of State for Employment, in December 1974.

The WRU seeks to achieve its various objectives in a number of different ways including giving advice to industry, supporting research and providing information.

Advice to industry

The Unit provides assistance to managements and trade unions who wish to improve job design and work organization within their com-

panies. The Unit's staff, which consists of social scientists and engineers with practical experience in industry and other organizations, can act as catalysts and advisers in joint project groups set up to pursue their ideas. It is up to the parties themselves to decide on the details of changes they wish to introduce. Such changes can only be successful if they have the commitment of the managers, trade union representatives and the workers who will be affected by the change. When the Work Research Unit is called in to advise a company, it starts by having discussions with senior management and senior shop stewards. If both parties wish to go further, discussions take place with all managers, supervisors and trade union representatives in the plant and trade union full-time officers. It is important that there is a general understanding of the implications of developing participative work systems, and that a consensus is obtained for moving in this direction.

The concept of a joint steering group to consider the social needs and production requirements within an organization is fundamental to this approach. The size and shape of this group varies from plant to plant but ideally should include representatives of the main functions and interests likely to be affected by the changes.

Initially the steering group investigates alternative forms of work organization and participation that have been adopted elsewhere and the results that have been obtained, before attempting to diagnose the situation in its own company. Attitudes and concerns of the employees are obtained through questionnaire surveys, interviews or group discussions. Detailed discussions are then held with each work group prior to any changes. In fact, changes in work organization are jointly formulated with the work group itself and changes only introduced if agreed by the work group. This may mean that only certain work groups adopt new styles of working in the short term but these can serve as trials or demonstrations to the rest of the plant and, if successful, progress in other areas becomes easier. Additionally, the foreman of the work group is expected to provide a lead and to do this he is given prior briefing or training and clarification of his role in the new system which may develop. The other key member of the work group is the shop steward and he too will require prior briefing. Finally the implications of job redesign and participation for production must be considered since managements will not be prepared to embark upon such a scheme at the expense of efficiency. Sometimes a more systematic examination of the efficiency of the production process is found to be necessary and it is carried out under the guidance of the joint steering group.

Since the Unit was set up four years ago meetings to explore these aims have taken place with over 400 companies and of these further assistance has been given to about 50. The Unit has either provided advice and support to internal consultants within the organizations, or has been closely involved as an independent third party in change programmes. The following short case study illustrates the way in which shop-floor participation schemes to improve the quality of

working life and organizational effectiveness have been successfully introduced, with the help of the Work Research Unit:

> In 1969, the management of a Midlands foundry in agreement with the local branch of the Amalgamated Union of Engineering Workers, drew up a code of practice covering the management and running of the foundry. A factory and productivity council consisting of representatives from senior management, supervisors, staff and the shop floor was set up and regularly discussed the company's performance and working life in the plant. This new joint approach was very successful over the next few years and the company, looking for ways of extending the scheme, called in the Work Research Unit.
>
> The Unit started by briefing the factory and productivity council who set up a steering group of staff and management whose meetings were attended by the Unit consultant. The Unit carried out a survey of all employees and the results were used as the basis of discussions with the work groups. Proposals were then agreed and put into effect.
>
> The result has meant an increase in job rotation as well as an increase in discussion about the organization of work within the work groups. So far this system has been working successfully and the conclusion to be drawn is that while the participative structure and the working arrangements have provided the framework for this way of working, its success has been achieved only by the commitment, trust and working relationships that have been developed.

Conferences

The Unit holds regular one-day conferences for senior managers and trade unionists mostly dealing with the general topic of work organization, though some have recently been mounted which deal with specific industrial sectors such as clerical work and electronics. The Unit has also held four-day workshops for management and trade union groups from a number of companies.

The Work Research Unit has contributed to jointly sponsored and other conferences on the Quality of Working Life organized by such bodies as the Institute of Personnel Management, the Engineering Employers' Federation and the Institute of Work Study Practitioners.

Contacts with other organizations

The Unit has been actively building contacts with a number of quasi-governmental bodies, confederations and institutes. These contacts include most of the professional and other institutions concerned with work systems design and with aspects of working life.

The WRU has helped to stimulate developments by encouraging industrial organizations to incorporate improvements in the quality of working life within their own policies and programmes. The Unit is represented in the 'Futures Network' recently formed at Ashridge Management College; it liaises with the Job Satisfaction Team of the Civil Service Department in order to exchange information and obtain case-study material and has also been represented on a Social Science Research Council working party on work organization which is developing a programme of research initiatives.

International contacts

The Work Research Unit develops and maintains contact with experts both in this country and abroad. It is also in contact with the quality of working life agencies throughout the world. The WRU has over the last year met and arranged visits to industry and other institutions in this country for over 100 visitors, parties and delegations. The Unit's reputation within international circles has grown judging by the number of requests for information and advice received from similar bodies and embryo groups in various parts of the world. More recently, it has also been invited to make major contributions to international conferences and international working groups such as those organized by the International Labour Organization.

Information service

The Unit also has an information system which contains approximately 10,000 items, consisting mainly of pamphlets, articles, reports and newspaper cuttings. It also contains 200 books and scans about 200 journals. The main subject areas covered are job satisfaction, motivation, job redesign, the quality of working life, industrial psychology, productivity, job enrichment, job enlargement and autonomous work groups. The staff of the Information System answer inquiries, prepare reading lists, publish bibliographies, a monthly abstract bulletin, information notes, occasional papers and reports by the WRU, many of which appear in a variety of professional and managerial journals. In this respect the Unit has established itself as a centre of expertise and is frequently approached for advice on proposed television and radio programmes and newspaper articles. In addition the Unit has produced four videotapes based on projects carried out in different companies which are available for sale or hire from the Central Film Library.

The research programme*

The Work Research Unit sponsors and monitors 10 projects which make up the Job Satisfaction Research Programme which is concerned with improving the technology of change processes; of evaluating the effects of changes intended to improve the quality of working life; and examining new forms of work organization. The central concern of the programme is the content of people's jobs, the way they are organized and the effect on individual well-being. Besides issues of pay, security of employment and strategies for improving job satisfaction, the programme is also concerned with strategies which maintain and improve the effectiveness of the organization as a whole.

A principal feature of the projects is consultation at all stages with the individuals affected and of the trade unions concerned. The research programme includes projects concerned with the establishment of a new factory and with the introduction of new technology. One is con-

* See *Department of Employment Research 1977/78*. London, HMSO, 1978.

cerned with forms of co-ownership and the relationship between this and job satisfaction. The role of the research teams in some projects is primarily that of observer and recorder, while others have become directly involved in planning and implementing changes. Some have a broadly ergonomic emphasis, while others are involved in technical and organizational changes. The programmatic approach has been ensured in the following ways:

(*a*) Two of the projects are investigating the conditions for effective change in several locations and the impact of the changes not just on people's work but on their non-work activities and lives.
(*b*) Workshops have been held for project team members and WRU staff, to exchange information, discuss problems and develop techniques and methods for diagnosis and measurement. Work has been carried out on attitudes to various aspects of a job, on the description of job attributes, turnover and absence, and on costing and developing measures of performance and organizational effectiveness. Meetings have also been held to consider individual projects and the programme as a whole.
(*c*) The techniques which have been used for diagnosis, description and evaluation have provided the means of comparing what has happened in each of the projects.
(*d*) WRU staff have liaised with project teams.

The projects are supported by grants from DE covering the research activities only, but do not include the cost to the organizations of planning and implementing changes. In some cases the research funding is shared with other organizations.

Medical Research Council

The Unit monitors a number of research projects sponsored by DE through the Medical Research Council. This research programme came about as a result of the concern expressed by the TUC in 1974 with the potential ill effects of paced assembly line work, particularly in vehicle assembly. The main focus of the projects is stress at work. Some kinds of work are thought to have undesirable consequences for workers, resulting in a higher incidence of physical and mental symptoms of ill-health. It is further recognized that health symptoms may only represent a fraction of the total problem and that stress may have adverse consequences for the social and domestic life of employees. Knowledge of the effects of work and career on an individual's general life-style, family, leisure and health will increase understanding of these relationships and help to influence satisfactory employment policies and practices in industrial firms and the community at large.

European Foundation

The WRU is contributing to the formulation of the programme of the European Foundation for the Improvement of Living and Working

Conditions and has taken part in a number of its projects, including the possibility of establishing an information system which would provide data on research organizations and current research projects.

Further information

Readers who would like more information about the Work Research Unit and the facilities it has to offer are invited to either write or telephone: Work Research Unit, Department of Employment, Steel House, 11 Tothill Street, London SW1H 9LN (Telephone 01-273 4464).

Selections of articles

A selection of articles which have appeared in *MSIG* on *Job Satisfaction* is available from the Editor. The selection comprises the following four articles:

'Job Satisfaction in the Civil Service—A Perspective' by K. B. Robertson.

'A Job Satisfaction Approach to a Management Problem' by D. E. Pace.

'"New Model Office" Project in DHSS' by D. Burden.

'Bridging the Information Gap' by J. Hunter and D. B. Crampton.

Requests for copies should be addressed to The Editor, Management Services in Government, Civil Service Department, Whitehall, London SW1A 2AZ. Persons and organizations outside the Civil Service should enclose with their order a cheque or postal order (£1.15, including postage, for a single copy) made payable to 'Civil Service Department'.

Ministerial Appointments and Main Changes in Machinery of Government in the United Kingdom in 1978

Structure of Government

The size of the Government

The total number of Ministers in the Government at the end of 1978 was 107, a decrease of two since the beginning of the year. The number of Ministers in the Cabinet remained unchanged at 24.

Ministerial changes

On 11th November Mr. Edmund Dell resigned as Secretary of State for Trade. On 15th November Mr. John Smith was appointed to succeed him, and took his place in the Cabinet. Mr. Smith had previously been Minister of State at the Privy Council Office; and the post remained unfilled until January 1979.

On 23rd March 1978, Lord Oram resigned as Lord-in-Waiting.

Following the death of Mr. Joseph Harper on 24th June, Mr. James Hamilton was appointed on 6th July as Comptroller of Her Majesty's Household. Mr. Donald Coleman, previously a Lord Commissioner, was appointed to Mr. Hamilton's former post of Vice-Chamberlain; Mr. Albert Stallard, formerly an Assistant Whip, was appointed Lord Commissioner; and Mr. Joseph Dean was appointed Assistant Whip.

Following the resignation of Mr. Frank White on 31st October, Mr. John Evans was appointed Assistant Whip. Also on 31st October, Lord Winterbottom resigned as Lord-in-Waiting, a post to which Lord Leonard was appointed on 1st November.

On 13th November 1978, Mr. Tom Pendry was appointed to an additional Parliamentary Secretary post at the Northern Ireland Office. Mr. Pendry had previously held office as a Lord Commissioner until his resignation on 12th January 1977.

Mr. Bob Cryer resigned on 20th November as Parliamentary Under-Secretary of State at the Department of Industry. He was not replaced.

Baroness David was appointed a Baroness-in-Waiting on 22nd November 1978, thus filling the vacancy created on 23rd March when Lord Oram resigned.

Lord Kirkhill resigned as Minister of State, Scottish Office, with effect from 22nd December. He was not replaced.

Transfers of functions between Ministers

During 1978 there were two transfers of functions under the Ministers of the Crown Act 1975, and one further transfer of Ministerial functions.

The details of the changes which took place in 1978 are as follows:

(*a*) The Transfer of Functions (Wales) (No. 1) Order 1978 (SI 1978/272), which came into operation on 1st April, transferred from the Minister of Agriculture, Fisheries and Food to the Secretary of State for Wales certain powers in relation to agriculture, fisheries, water resources, water supply, land drainage and related matters similar to those exercised in Scotland by the Secretary of State for Scotland. (The proposal to transfer these responsibilities had been announced on 28th July 1977.)

(*b*) The Transfer of Functions (Wales) (No. 2) Order 1978 (SI 1978/274), which also came into operation on 1st April, transferred from the Secretary of State for Education and Science to the Secretary of State for Wales responsibility in Wales for all non-university institutions of higher and further education, and for youth and community services, and for adult education. At the same time, responsibility for public libraries in Wales was also transferred from the Secretary of State for Education and Science to the Secretary of State for Wales; this latter transfer was effected administratively. These transfers followed the announcement on 4th November 1977.

(*c*) The Minister of State, Ministry of Defence, announced in the House of Commons on 22nd February (during the Second Reading Debate of the Gun Barrel Proof Bill) that responsibilities exercised by the Secretary of State for Defence under the Gun Barrel Proof Acts of 1868 and 1950 for (i) the approval of the Civil Standards of Proof and (ii) the approval of fees for the Civil Proof of Guns and Barrels would be transferred to the Secretary of State for Prices and Consumer Protection. The transfer, which was effected administratively, took place with effect from 5th May, the day on which the Gun Barrel Proof Bill received Royal Assent.

The following transfers of Ministerial functions were announced in 1978:

(*a*) Article 17 of the Health and Personal Social Services (Northern Ireland) Order 1978 (SI 1978/1907 (NI 267)), which was laid on 20th December, will transfer to the Department of Finance in Northern Ireland certain functions of the Minister for the Civil Service and the Treasury under the Mental Health Act (Northern Ireland) 1961, and to the Department of the Civil Service, Northern Ireland, certain functions of the Minister for the Civil Service and the Treasury under Section 76 of that Act.

(*b*) Section 117 of the Judicature (Northern Ireland) Act 1978 will transfer from the Secretary of State for Northern Ireland to the Lord Chancellor responsibilities for the administration of justice in Northern Ireland including responsibility for County Courts and Petty Sessions services, Magistrates' Courts, Coroners' Courts, and the Enforcement of Judgments Office (see also 'Northern Ireland Court Service' below).

(*c*) Following announcements in the House of Commons by the Secretary of State for Social Services (8th March), and the Minister of State, Ministry of Defence (21st February and 8th December), it is proposed to transfer administratively Ministerial responsibility for the Microbiological Research Establishment at Porton Down from the Secretary of State for Defence to the Secretary of State for Social Services with effect from 1st April 1979. On this date, subject to the passage of legislation to enable the Secretary of State for Social Services to extend the scope of the Public Health Laboratory Service, the Public Health Laboratory Service Board would assume management responsibility for the Establishment.

Organizations established or dissolved in 1978

Patents Court

The Patents Court, which was established under Section 96 of the Patents Act 1977, came into being on 1st June 1978. It is part of the Chancery Division of the High Court and deals with such proceedings in England and Wales relating to patents and other matters as may be prescribed by rules of court. Order 104, Rule 2, of the Rules of the Supreme Court assigns to the Patents Court all proceedings in the High Court under the Patents Acts 1949–1961 and 1977, the Registered Designs Acts 1949–1961 and the Defence Contracts Act 1958, and all proceedings relating to patents under the inherent jurisdiction of the High Court. Thus the Patents Court has jurisdiction at first instance, and also hears appeals in patent matters from decisions of the Comptroller-General of Patents, Designs and Trade Marks. (It does not, however, hear appeals in registered designs matters, which continue to be heard by the Registered Designs Appeal Tribunal.) In certain matters the Comptroller and the Court have concurrent jurisdiction. The judges of the Patents Court are nominated by the Lord Chancellor from among the puisne judges of the High Court, and there is provision in the rules for the appointment of scientific advisers to assist the Patents Court.

Patents Appeal Tribunal

The Patents Appeal Tribunal was abolished on 1st June 1978, when the task of hearing appeals from decisions of the Comptroller-General of Patents, Designs and Trade Marks in patent matters was transferred to the Patents Court.

Co-operative Development Agency
The Co-operative Development Agency came into being on 1st September 1978 under the provisions of the Co-operative Development Agency Act 1978. The Agency is an advisory, promotional and representational body which speaks for the Co-operative movement as a whole and will help to encourage its development. The Agency is designed to promote the adoption and better understanding of co-operative principles and the representation of the interests of the Co-operative movement; the identification and recommendation of ways in which the establishment, development and evolution of co-operatives might be facilitated; the identification, appraisal and recommendation of projects which might usefully be undertaken on a co-operative basis and the provision of a forum for discussion and debate with the Co-operative movement. The Agency consists of a Chairman and eight members, appointed by the Secretary of State for Industry after consultation with those who appear to him to represent the interests of the Co-operative movement.

Northern Ireland Court Service
Section 69 of the Judicature (Northern Ireland) Act 1978 makes provision for the establishment of a unified Northern Ireland Court Service. The Court Service will be a separate and distinct Civil Service of the Crown, headed by a Director, answerable to the Lord Chancellor who will appoint its members. It will replace the separate Supreme Court, County Courts and Petty Sessions Services, the Enforcement of Judgments Office and Officers of Coroners Courts, and its function will be to facilitate the conduct of the business of the Supreme Court of Northern Ireland, County Courts, Magistrates' Courts and Coroners' Courts, and to give effect to judgments to which the Judgments (Enforcement) Act (Northern Ireland) 1969 applies. The Act also introduces other administrative changes in jurisdiction in Northern Ireland on the lines of practice in England and Wales, notably the establishment of a Crown Court which will have exclusive jurisdiction at first instance in criminal trials on indictment.

Tithe Redemption Office
Section 56 of the Finance Act 1977 provides for tithe redemption annuities to be extinguished from 2nd October 1977. With the collection of final annuities nearly complete, the Tithe Redemption Office, which had been an Inland Revenue responsibility since the dissolution of the Tithe Redemption Commission in 1960, was closed on 31st December 1978. Commissioners of Inland Revenue retain their responsibilities for the Office's other statutory functions.

Other organizational changes
Following the transfer, on 1st April 1977, of responsibility for the defence activities of Millbank Technical Services Limited, a wholly-owned subsidiary of the Crown Agents, from the Minister of Overseas Develop-

ment to the Secretary of State for Defence, the Minister of State, Ministry of Defence, announced on 24th November 1978 the Government's intention to transfer the shares of the company, which has been renamed International Military Services Limited, to the Secretary of State for Defence.

From 1st April 1978 all the functions which had been delegated by the Manpower Services Commission to the Employment Service Agency and the Training Services Agency were taken over by separate divisions of the Commission: the Employment Service Division and the Training Services Division. (The Employment Service Agency and the Training Services Agency were established as agencies of the Manpower Services Commission under the Employment and Training Act 1973.)

Devolution

The Scotland and Wales Acts 1978 make provision for devolution of a wide range of powers to Scottish and Welsh Assemblies. Before the respective Acts can be brought into effect, consultative referendums have to be held in Scotland and Wales. At the time of going to press, Parliament had not considered the outcome of the referendums.

Management Bookshelf

Interviews

Mrs. B. M. HOWARD, Civil Service Department

Introduction

This is the age of jargon. What used to be comfortably known as a 'chat' is now dignified into an 'interview'—a species sub-divided into such specialisms as JARs, wash-ups, counselling, CDIs, to name but a few. (For the benefit of the uninitiated: assessment of job performance; summary of a staff audit; welfare; career advice.) The psychologist and the personnel director will be aware of many other variants.

Most managers are involved with interviews of one type or another. Too often we embark on them without a precise understanding of what we are trying to achieve and without having given thought to the manner in which we intend to proceed. We rarely get feedback—it is not usually politic for the interviewee to comment upon the interviewer's performance—and we seldom have either the time or the inclination to analyse our methodology. However, for the benefit of those who do not believe that interviewing (like breathing and sleeping) is a natural attribute, I am suggesting some books which they may care to peruse.

General studies

Face to Face: Techniques for Handling the Personal Encounter at Work, by Derek Torrington (1972; Gower Press; 104 pages; £6·00), examines four categories of encounter, analyses each situation, details the necessary advance planning and, by using transcripts of actual meetings, shows how best to conduct the situation. Another study of the methodology is *Interviewing—A Practical Guide*, by Leslie H. Dallison (1974; Training for Business Limited; 31 pages). This examines various questioning styles, discusses common faults and looks at the particular problems of Selection and Exit interviews. Its style of presentation is note/tabulation, rather than continuous prose.

On a more theoretical level (and hence, perhaps, of more interest to the personnel specialist) is a collection of essays on *Psychology at Work*, edited by Peter Warr (Second edition, 1978; Penguin; 448 pages; £1·95). Chapter 8 (pages 165–186) deals with 'Interviewing at Work' and is contributed by Gerry Randell. He describes the principle processes in interviewing as: (1) Information gathering, (2) Sensori-motor control, and (3) Decision-making—the latter category he illustrates under the headings of Classification, Measurement, and Change.

Counselling interviews

People not only spend a great deal of their time at work; they also tend to describe themselves in terms of their occupations. It is, therefore, not surprising that this important part of their lives should give rise to personal problems. It is with attempts to alleviate these that counselling interviews are directed. Barry Hopson's essay on 'Counselling in Work Settings' is another contribution to Peter Warr's book (*op cit*). In it he discusses different methods of counselling and describes the operation of schemes in several United Kingdom organizations: Shell, ICI, British Steel and the Natural Environment Research Council.

A longer study, *The Counselor-in-Training*, by Susan K. Gilmour (1973; Prentice-Hall; 314 pages), discusses the practice of counselling, with case histories, based on the author's experience in the United States of supervising the training of professional counsellors. The development of a training course in industrial counselling is described by Lewis, Edgerton and Parkinson in an article, 'Interview Training: Finding the Facts and Minding the Feelings', published in the journal *Personnel Management* (1976, May; pp. 29–33).

Selection interviews

The selection interview is often thought of as an occasion for checking the information provided by the interviewee's *curriculum vitae*. But as the two pamphlets noted below indicate, there is a great deal more to the process. Edgar Anstey, concerned for many years with improving the techniques of selection for the Civil Service, is the author of what is rapidly becoming the 'standard' book on the subject, *An Introduction to Selection Interviewing* (HMSO; 1977; 40 pages; £1·50). Written for the manager, it discusses the conducting of Board interviews and covers such topics as 'Studying the Candidate', 'Establishing Rapport', 'The Assessment—Forming a Board View'. It is in itself an encouragement towards studying (and hence improving) one's performance. *How to Interview*, by Douglas Mackenzie Davey and Patricia McDonnell (British Institute of Management; 1975; 51 pages; £2·50), may be enlivened by cartoons but its purpose is no less serious for all that. It differs from Dr. Anstey's book in being concerned with what is jargonwise known as dyadic interaction—in other words, a face-to-face conversation between two people—rather than with Board selection techniques.

Appraisal interviews

When he has been in post for a while, the employee is likely to be asked to attend a job appraisal interview. Many organizations have implemented staff appraisal and management development schemes—and subsequently invested much time and effort in evaluating their effectiveness. *Staff Appraisal and Development*, by Edgar Anstey, Clive Fletcher and James Walker—all at the time of writing members of CSD's former Behavioural Sciences Research Division—presents the

findings of an extensive series of research studies that assessed the value of appraisal interviews and identified the factors contributing to their success or failure. The book also describes the implementation of job appraisal reviews in the British Civil Service (1976; Allen & Unwin; 242 pages; £8·75). The 'Notes for Managers' series of the Industrial Society is well known; number 18 deals with *Appraisals and Appraisal Interviewing* (1972; 38 pages; £1·00). It is a brief, practical guide, showing how an appraisal scheme can be developed and how the appraisal interview should be conducted.

Training

It is not easy to design courses aimed at improving interpersonal skills. One of the problems is that trainees are asked to admit that they need to practise something which most people think they are already good at: understanding other people. A useful handbook for the training officer might be *Interview Skills Training: Role Play Exercises*, by Penny Hackett (1978; Institute of Personnel Management; 347 pages; £10·00). This includes guidance on administration of the exercises as well as role play material.

Conclusion

An interview is not a static situation; changes in relationships occur from moment to moment when two people are interactive. A technique which tries to explain and categorize these shifts is 'Transactional Analysis'. This was first, and perhaps most comprehensively, explained in the book *I'm O.K, You're O.K*, by Thomas Harris (1973; Cape; 278 pages; £2·95).

Interviewing has been described as the process of collecting, checking and using information obtained from and about people by talking with them (Randell). This is not a random activity; the purpose of the encounter needs analysis, and the means of achieving the objective require planning. Only thoughtful practice—not the mere reading of books—can bring perfection.

Some recently published titles

Year Book of Labour Statistics 1978. Published by the International Labour Office, Geneva; 675 pages; price 95 Sw. Frs.

Financial Ratios—Analysis and Prediction by M. Tamari. Published by Paul Elek Limited; 192 pages; price £9·95.

Understanding Company Accounts by Peter Bird. Published by Pitman Publishing Limited; 111 pages; price £1·95.

New CSD Publications

This is a list of the documents recently issued by the Civil Service Department and its associated bodies. It includes material from the Central Computer Agency, the Civil Service College and the Civil Service Commission, as well as from CSD itself.

These items may be examined in the Central Management Library, Civil Service Department, Old Admiralty Building, Whitehall, London SW1A 2AZ.

Unless otherwise stated, requests for copies should be sent to the Central Management Library, CSD, at the above address. HMSO publications may be ordered from PO Box 569, London SE1 9NH; from Government Bookshops, or through any bookseller.

The Civil Service Year Book 1979
372 pages; available from HMSO; price £4·50.

Disclosure of Official Information: a report on overseas practice
254 pages; available from HMSO; £4·00.

Home Civil Service: Senior Staff Movements
2 pages; published monthly; gratis.

Management Training Needs in DHSS Local Offices; part II: HEOs
38 pages; gratis.

Open Government
18 pages; available from HMSO; £0·50; Cmnd. 7520.

Quota: Civil Service Department Personnel Management Newsletter
Issue Number 2, January 1979; gratis.

Public Access to Government Information: a bibliography
116 references; gratis.

The Work of CSD 1968–1978: described in the writings of the staff of the Civil Service Department
45 pages; gratis.

Central Computer Agency

Microcomputer Newsletter

Issue Number 3, February 1979; gratis; copies available from Mrs. S. Ross, Central Computer Agency, Publications and Information Branch, Riverwalk House, 157–161 Millbank, London SW1P 4RT.

Civil Service College

The following documents are available without charge from The Librarian, Civil Service College, Sunningdale Park, Ascot, Berks SL5 0QE.

The Scotland Act in Parliament: a chronological survey, by P. D. Lindley.
11 pages; CSC Working Paper, Number 4.

Disclosure and the Law. Text of an address given by Lord Franks to a seminar on Open Government held at the Civil Service College on 13th–15th November 1978.
9 pages; CSC Working Paper Number 5.

Open Government. Summary of the proceedings of a seminar on Open Government held at the Civil Service College on 13th–15th November 1978.
25 pages; CSC Working Paper Number 6.

The Learning Resources Centre at the Civil Service College, Sunningdale, by P. Nutley.
10 pages; CSC Working Paper Number 7.

Civil Service Commission

The following documents are available without charge from Careers Information Division, Civil Service Commission, Alencon Link, Basingstoke, Hants RG21 1JB.

Leaving School? Clerical careers in the Civil Service
18 pages.

Surveyors: Civil Service Careers
31 pages

Published by CSD 1968–1978

Published by CSD 1968–1978 is a catalogue of the publications issued by the Civil Service Department from November 1968, when the Department was first set up, to December 1978. It is a 30-page survey, giving full details (including date of issue, availability, and price if any) of a wide range of reports, surveys and guidance material on all aspects of the management of people at work. The items in the list are arranged in broad subject categories, ranging from Accountancy to Welfare. The catalogue includes material published by the Central Computer Agency, the Civil Service College, the Civil Service Commission and various other bodies in the central public sector, as well as by CSD itself.

The catalogue may be obtained, without charge, from The Librarian, Central Management Library, Civil Service Department, Whitehall, London SW1A 2AZ.

Letters to the Editor

The views expressed in Letters to the Editor are the writers' own, and not necessarily those of their departments.

Why is implementation so difficult?

Dear Editor,

The mechanistic model of perfect administration advanced by Professor Gunn (November 1978) is not the only one. Consider the static autocracy of Ancient Egypt or Imperial China, as an ideal type. Every agent in the government knows exactly what is expected of him in most circumstances. The Celestial Emperor does not have 'policies' at all in the sense of quantified objectives, but he does have—or rather inherits—a set of simple maximands; the officials in turn both know and share these goals, and are equipped with a set of contingency rules for dealing with most situations and discretion for the rest. If all the right conditions are met, the Emperor has nothing to do except appoint officials, but in practice occasional interventions on his part will be necessary to restore harmony.

In this system, Gunn's conditions 1, 2, 3, 4, 7 and 10 apply *mutatis mutandis*. But there is no requirement for (5) directness of effect or (6) simplicity of structure: the officials, all sharing the same goal and enjoying discretion, can mutually adapt their actions, like ants handling a leaf. The complete specification of tasks (8) is unnecessary *ex hypothesi*; and above all (9) there is no need for perfect communication. Limited monitoring will do.

As a model for contemporary administration, this is, of course, just as artificial as Gunn's; but it can be just as illuminating. (At first sight, it seems to be more helpful in the areas of law enforcement, innovation, culture and possibly education.) Both are also misleading in abstracting from essential features of reality, such as limited information in his model, and change in mine. However, one general point is worth making. To make a policy readier of implementation, the policymaker can (following Gunn's model) make the objectives clearer-cut, shorten the lines of command, etc; another way is to make the objectives more general (maximands rather than targets) and work out ways of securing the intelligent commitment of free men and officials to their attainment.

Yours sincerely,

JAMES WIMBERLEY

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